



2014 JUN -9 PM 5:12  
OFFICE OF THE  
SECRETARY

VINCENT C. GRAY  
MAYOR

JUN - 9 2014

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council, pursuant to D.C. Official Code §10-801, is the "*Barnaby Road Parcel 238/40 Disposition Approval Resolution of 2014*." The resolution authorizes the Mayor, through the Department of General Services, to sell the unimproved piece of land owned by the District and known as Parcel 238/40 (the "Property") located on Barnaby Road, SE, between Bonini Road and Chesapeake Street, SE, to Ways of the World Community Development Corporation (WOW-CDC, a subsidiary of the Temple of Praise) for the price of \$300,000.00. The District intends to sell the Property to WOW-CDC to facilitate the development of affordable and workforce housing. The purchaser will assemble the parcel with Square 6249, Lot 0837, the adjacent property that runs along the east boundary of Parcel 238/40, to provide frontage for single family townhouses that will face Barnaby Road.

I urge the Council to take prompt and favorable action on these proposed resolutions. If you have any questions, please contact Brian Hanlon, Director of DGS, at (202) 727-2800.

Sincerely,

  
Vincent C. Gray

Enclosure

  
Chairman Phil Mendelson  
at the request of the Mayor

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A PROPOSED RESOLUTION

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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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 within the 4200 Block of Barnaby Road, SE between Bonini Road and Chesapeake Streets, in Washington, D.C., known for tax and assessment purposes as Parcel 238/40.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Barnaby Road Parcel 238/40 Disposition Approval Resolution of 2014”.

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 Purchaser or the developer 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 (D.C. Official Code § 2-218.49a).

(b) “Certified business enterprise” means a business enterprise or joint

35 venture certified pursuant to the CBE Act.

36 (c) "First Source Agreement" means an agreement with the District  
37 governing certain obligations of the Purchaser or any developer of the Property pursuant  
38 to section 4 of the First Source Employment Agreement Act of 1984, effective June 29,  
39 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03, and Mayor's Order 83-265  
40 (November 9, 1983)), regarding job creation and employment generated as a result of the  
41 construction on the Property.

42 (d) "Purchaser" means Way of the World Community Development  
43 Corporation or its successor.

44 (e) "Property" means the real property located in the 4200 block of  
45 Barnaby Road, SE in Washington, D.C., known for tax and assessment purposes as  
46 Parcel 238/40.

### 47 Sec. 3. Approval of Disposition

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

53 (b) The proposed disposition would occur through a sale to the Purchaser,  
54 whose primary address is 700 Southern Avenue, SE, c/o Temple of Praise, Washington  
55 DC 20032.

56 (c) The Property is adjacent to property owned by the Purchaser, a subsidiary  
57 of the Temple of Praise Church origination. The Purchaser is a faith-based not for profit

58 organization and a leader in development of workforce and transitional housing within  
59 Ward 8, and the sale to the Purchaser has been negotiated for the specifically designated  
60 purpose of such development.

61 (d) The proposed disposition is expected to include the following terms and  
62 conditions, in addition to such other terms and conditions as the Mayor deems necessary  
63 or appropriate:

64 (1) The Purchaser shall acquire the Property in its “as is” condition for  
65 the sum of three hundred thousand and 00/100 dollars (\$300,000.00).

66 (2) The Purchaser shall enter into a CBE Agreement with the District.  
67 The CBE Agreement shall require the Purchaser to contract with certified business  
68 enterprises for at least 35% of the contract dollar volume of the redevelopment of the  
69 Property, if any, and if possible, shall require at least 20% equity and 20% development  
70 participation of certified business enterprises.

71 (3) The Purchaser shall enter into a First Source Agreement with the  
72 District.

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

74 (f) The Council finds that the Mayor’s analysis of economic and other policy  
75 factors supporting the disposition of the Property justifies the sale proposed by the  
76 Mayor.

77 (g) All documents submitted with this resolution shall be consistent with the  
78 real property purchase agreement term sheet transmitted to the Council pursuant to section  
79 1(b-1)(2) of the Act (D.C. Official Code §10-801 (b-1)(2)).

80 (h) The Council approves the disposition of the Property.

81           Sec 4. Transmittal

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

85           Sec. 5. Fiscal Impact Statement.

86           The Council adopts the fiscal impact statement in the committee report as the  
87 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home  
88 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-  
89 206.02(c)(3)).

90           Sec. 6. Effective Date.

91           This resolution shall take effect immediately.

92

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF GENERAL SERVICES



THE ANALYSIS OF ECONOMIC FACTORS

**Project Name:** Parcel 238/40 (unimproved land)  
**Property Description:** Parcel 238/40 located on Barnaby Road, SE  
between Bonini Road and Chesapeake Street, SE  
**Size of Property:** 47,476 square feet (1.08 Acres)  
**Assessed Value:** \$675,110; Unimproved Land  
**Zoning of Property:** R-5-A  
**Ward:** 8

This Analysis of Economic Factors is hereby submitted to the Council of the District of Columbia for the proposed disposition of unimproved land, known as Parcel 238/40. The parcel of land is located within Ward 8 on the 4200 block of Barnaby Road, between Bonini and Chesapeake Streets, SE ("Property"). The Property is zoned "R-5-A" which permits low height and low density residential buildings.<sup>i</sup> Furthermore, the zoning restriction also permits "institutional" and semi-public buildings that would be compatible with adjoining residential uses and that are excluded from the more restrictive "Residence Districts."<sup>ii</sup>

The Property's area is 47,476 square feet (1.08 acres). Moreover, it is unimproved land with underground utility easements to ensure that essential services are delivered to the neighborhood. These easements will limit any development for the purposes of building permanent structures. Furthermore, the Office of Historic Preservation ("OHP") verified that the Property is not a historically significant site.

**Method of Disposition**

Section 10-801 of the D.C. Official Code requires a document reporting the value of the property prepared by an independent appraiser or assessor performed within 12 months of transmission of the proposed resolution approving the disposition. As required by law, the Department of General Services ("DGS") determined the fair market value of the Property by retaining services of a third-party appraiser. The appraisal included three valuation methodologies, which are the: Income Capitalization approach, Sales Comparison Approach, and Cost Approach. The appraisal was prepared in conformity with, and subject to, the appraisal guidelines of the Code of Professional Ethics and Standards of Conduct of the Appraisal Institute, and the Unified Standards of Professional Standards of Conduct of the Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

## **Justification of Methodology**

DGS's proposes to dispose of the Property by sale to the prospective purchaser because the development potential for the Property is limited due to the existing utility easements and the trapezoidal shape of the property and the highest and best use of the site would be achieved through assemblage with adjacent property. The prospective purchaser is a community development corporation that has proposed to purchase and develop the land for market rate, affordable and workforce housing.

The appraised market value for the property as of July 2012 ("Original Appraisal") was three hundred thousand and 00/100 dollars (\$300,000.<sup>00</sup>). A follow-up appraisal was completed in March 2014. The market value of the Property according to the second appraisal of the Property is three hundred thousand and 00/100 dollars (\$300,000.<sup>00</sup>).

On April 30, 2013, a Letter of Intent was executed between DGS, on behalf of the District of Columbia, and Way of the Word Community Development Corporation ("WOW-CDC") to confirm the District's intention of selling the Property to WOW-CDC. The parties agreed to a sales price for the Property of \$300,000.00, the value of the Original Appraisal.

## **Economic and Social Benefits to be Realized Through Disposition**

The decision to dispose of Parcel 238/40 is predicated on several criteria with respect to potential uses and its R-5-A zoning restrictions. The size of the Property and its zoning restriction negate the District's ability to develop the property for public use. With respect to size, the Property area is 1.08 acres (47,476 square feet). Its physical configuration is a trapezoid, and a significant portion of the Property (more than 20% of area on the north end) is impeded due to underground utility easements for gas, sewer and water lines. Thus, the District has no practical use for the Property.

### **Economic Benefits**

Disposing of the Property gives WOW-CDC an opportunity to assemble the Property with the adjacent parcels for the purposes of developing affordable and workforce housing ("Developer"). The District intends to sell the Property to WOW-CDC for \$300,000.<sup>00</sup>. After purchasing the property, WOW-CDC will use the Property to meet its requirements for a site development plan that includes market rate, affordable and workforce housing. The Developer will assemble the Property with Square 6249, Lot 0837, the adjacent property that runs along the east boundary of Parcel 238/40 ("Adjacent Property"). The Developer proposes that the assembled properties become lawn frontage for single family townhouses that will face Barnaby Road. Each unit represents an incremental increase in tax revenues based on the respective assessed values of the home.

As a result of the disposition, another economic factor that weighs as a potential gain is the District's savings on operational expenses for maintaining the property. In the past, the District

Department of Transportation (“DDOT”) and DGS cut the overgrowth and removed debris and signs of blight on the Property in order to ensure public safety. Once the Property is disposed of, the District will not be required to allocate operating funds to maintain the site.

### **Social Benefits**

The social benefits of disposing of the Property are derived from the sale and the subsequent development of the unimproved land parcel. The Developer intends to build an inventory of more than 45 residential units on the fully assembled site (inclusive of the Property); however, the specific number of single-family townhomes and rental apartment units are not finalized.

It is expected that the mixed-income subdivision will bring more stability to the neighborhood. The new housing stock will attract homeowners to a community traditionally dominated by apartment rentals. The Developer will target buyers who are first-time homeowners that qualify for market, affordable and workforce homes.

Six (6) to ten (10) new permanent jobs will be created once the sub-division is established. Moreover, at least 20 jobs will be created in response to the growing need for ancillary services such as building maintenance and repair, handyman work, lawn care, etc. Over the long-term, the disposition of the Property will have a significant impact on the employment market for neighborhood residents.

### **Conclusion**

In forwarding this Analysis of Economic Factors to the Council, the Mayor has concluded that:

1. The subject property is surplus to the needs of the District Government;
2. The sale of the subject property is in the best interests of the District of Columbia;
3. The specific economic and social benefits of the sale outweigh the benefits of retaining this property in the District’s inventory.

For the above reasons, the Mayor recommends the disposition of this property in accordance with the proposed terms outlined in the Letter of Intent submitted herewith.

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<sup>i</sup> D.C. Municipal Regulations and D.C. Register, Section 11-350, R-5 Districts: General Provisions, and Section 11-353 New Residential Developments (R-5-A).

<sup>ii</sup> D.C. Municipal Regulations and D.C. Register, Section 11-350, R-5 Districts: General Provisions, and Section 11-353 New Residential Developments (R-5-A).

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF GENERAL SERVICES



September 3, 2013

Commissioner Olivia Henderson

Office:

ANC 8D02  
4601 Martin Luther King Jr. Avenue, SW  
Washington, DC 20032

Home:

4612 6th Street SE  
Washington, DC 20032

RE: Disposition District of Columbia Property –  
Parcel 238/40 also known as 700 block of Barnaby Road, SE 20032

Dear Commissioner Henderson,

In accordance with section 10-801(a)(4) of the DC Official Code, this letter serves as notice that the District of Columbia Department of General Services ("DGS") has determined that the District's Property located at Parcel 238/40, in the 700 block of Barnaby Road, S.E. (between Bonini Road and Chesapeake Street, SE) is no longer needed for public use. The Property is adjacent to a public right-of-way and the proposed development for Renaissance Place, an affordable housing development.

Therefore, to discuss the surplus designation of the former Parcel 238/40, the Department of General Services will convene a public hearing on Monday, October 7, 2013. The hearing will be held at the Mary Virginia Merrick Center located at 4275 4<sup>th</sup> Street, SE Washington, DC 20036. The hearing will begin at 6:30 PM.

Please share information about this public hearing (meeting) with your constituents because we value and welcome community input.

Should you have any questions, please contact S.E. Ponds at the DC Department of General Services at 202.741.0942 or via email at [sheryl.ponds@dc.gov](mailto:sheryl.ponds@dc.gov).

Sincerely,

Jonathan Kayne  
Associate Director, Portfolio Division  
Department of General Services

**Commissioner Olivia Henderson**

**Office:**

**ANC 8D02**

**4601 Martin Luther King Jr. Avenue, SW**

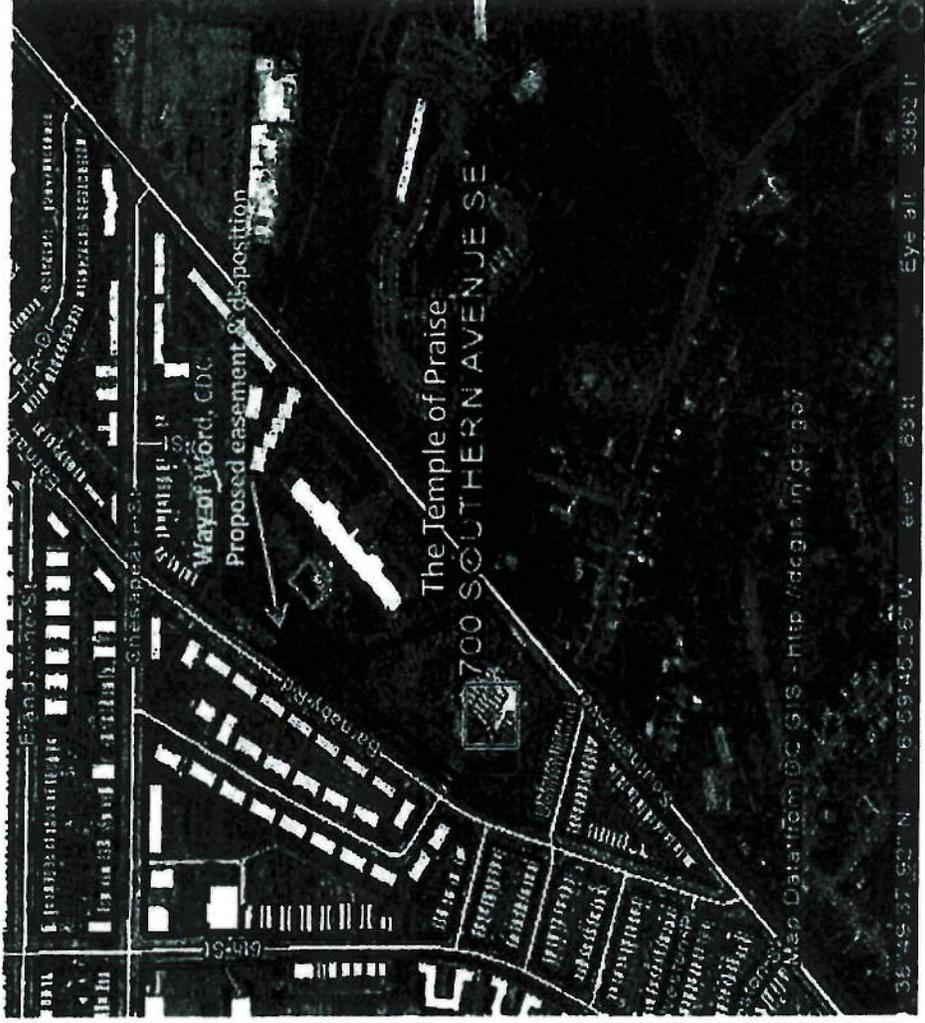
**Washington, DC 20032**

**Home:**

**4612 6th Street SE**

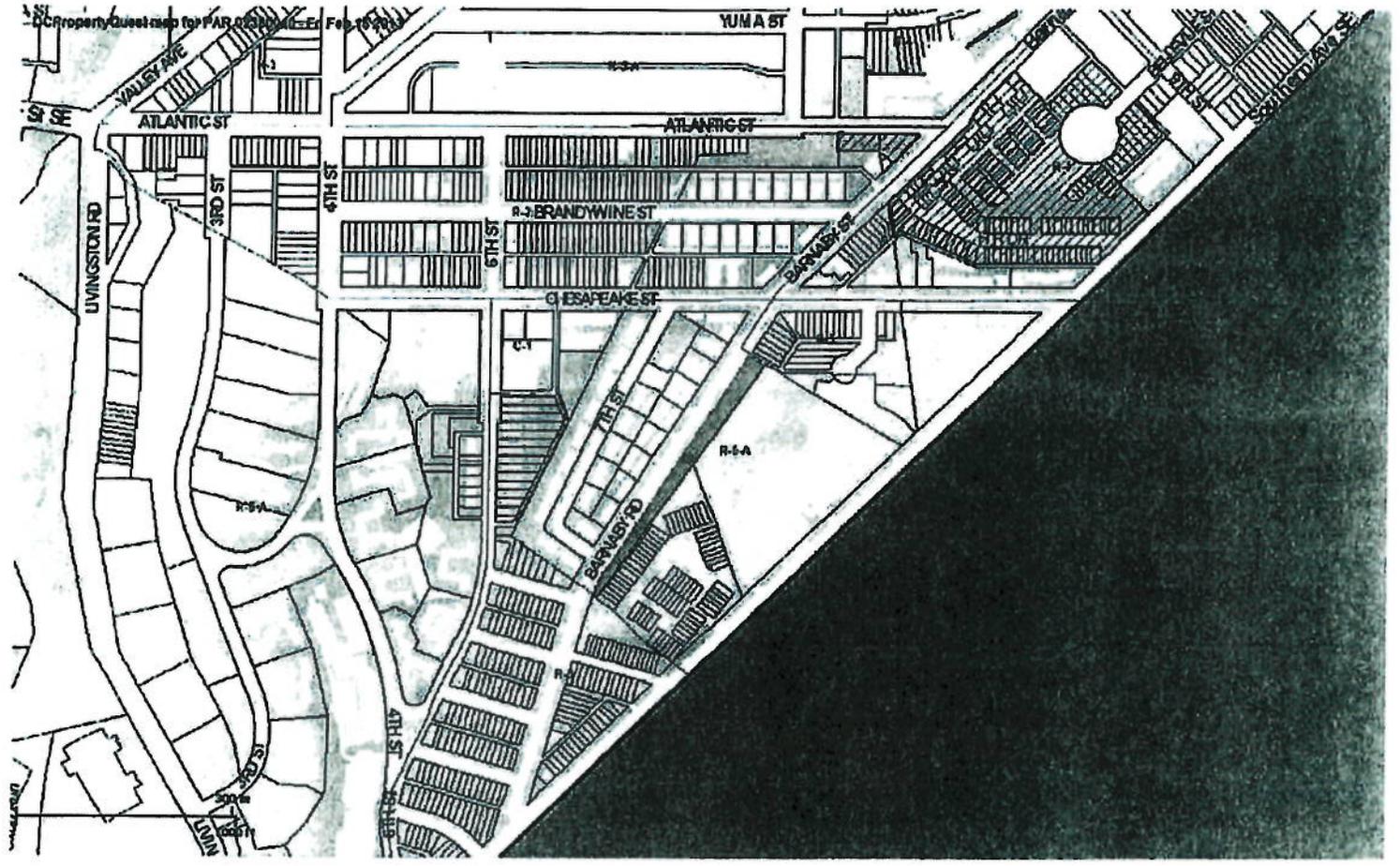
**Washington, DC 20032**

# Proposed site for LOI District of Easement and Disposition



Submitted by: SE Ponds, Portfolio Division

DC Property Quest map for PAR 0200040 - Fri Feb 10 2012



**DCPropertyQuest report for PAR 02380040 - Fri Feb 15 2013**

<b>SSL (Square, Suffix, &amp; Lot)</b>	<b>PAR 02380040</b>
<b>Zoning</b>	<b>R-5-A</b>
<b>Ward (unchanged)</b>	<b>8</b>
<b>Neighborhood cluster</b>	<b>39</b>
<b>2010 Census Tract</b>	<b>98.11</b>
<b>2010 Census Block Group</b>	<b>2</b>
<b>2010 Census Block</b>	<b>2000</b>
<b>Voting Precinct (2012)</b>	<b>9</b>
<b>ANC (unchanged)</b>	<b>8D</b>
<b>SMD (unchanged)</b>	<b>8D01</b>
<b>Zoning</b>	<b>R-5-A</b>
<b>Neighborhood cluster</b>	<b>39</b>
<b>2010 Census Tract</b>	<b>98.11</b>
<b>2010 Census Block Group</b>	<b>2</b>

**Historic Resources**

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**(none in the current database)**

**DCPropertyQuest report for PAR 02380040 - Fri Feb 16 2013**

SSL	PAR 02380040
Lot type	air right
Property type	GARAGE/UNIMPROVED LAND
Use code	191 Vacant True
Land area	47476 square feet
Premise address	BARNABY RD SE
Owner	DISTRICT OF COLUMBIA
Care of	SUITE 307
Mailing address	1350 PENNSYLVANIA AVE NW
City, state, zip	WASHINGTON, DC 20004-3003
Vacant land use	Y
Class type	
Homestead tax deduction	(none)
Tax rate	0
Mixed use	S
Mixed use 1 tax type	DC
New land	\$675,110
New improvements	\$0
New total	\$675,110
Sale price	\$0
Sale date	Null

SSL	PAR 02380040
Lot type	air right
Property type	GARAGE/UNIMPROVED LAND
Use code	191 Vacant True
Land area	47476 square feet
Premise address	BARNABY RD SE
Owner	DISTRICT OF COLUMBIA
Care of	SUITE 307
Mailing address	1350 PENNSYLVANIA AVE NW
City, state, zip	WASHINGTON, DC 20004-3003

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF GENERAL SERVICES**

**NOTICE OF PUBLIC MEETINGS REGARDING  
SURPLUS RESOLUTIONS PURSUANT TO D.C. OFFICIAL CODE 10-801**

The District will conduct public hearing to receive public comments on the proposed surplus of the following District property. The date, time and location shall be as follows:

- Property:** Parcel 238/40, in the 700 block of Barnaby Road, S.E.  
(between Bonini Road and Chesapeake Street, SE)
- Date:** Monday, October 7, 2013
- Time:** 6:30 PM until 7:30 PM
- Location:** Mary Virginia Merrick Center  
4275 4<sup>th</sup> Street, SE  
Washington, DC 20036
- Contact:** S. E. Ponds, Realty Program Specialist  
**Department of General Services**  
Portfolio Division  
202.741.0942  
[sheryl.ponds@dc.gov](mailto:sheryl.ponds@dc.gov)

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF GENERAL SERVICES**



April 30, 2013

**Portfolio Division**

Dr. Sharon Anderson, Esq.  
Executive Director  
Way of the Word Community Development Corporation  
700 Southern Avenue, Southeast  
Washington, DC 20032

Dear Dr. Anderson,

The District of Columbia, by and through its Department of General Services, ("District") endeavors to enter into this Letter of Intent ("LOI") for the disposition of a portion of Parcel 238/40 located on Barnaby Road between Bonini Road and Chesapeake Street, SE Washington DC ("Property"). We are pleased to present you with this letter which sets forth terms on which the District is willing to negotiate a sale of the Property. This letter is not intended to be a binding contract, a sales agreement, or an offer to sell but is intended only to provide the basis for negotiations for a sales agreement between Way of the Word Community Development Corporation, a 501(c ) (3) District of Columbia, not for profit ("WOW") and the District.

<b>Seller</b>	The District of Columbia, by and through its Department of General Services.
<b>Purchaser</b>	Way of the Word Community Development Corporation, a District of Columbia not for profit corporation
<b>Property</b>	A preliminary depiction of the Property is set forth on <u>Exhibit "A"</u> attached to and made a part hereof. The legal description of the Property for purposes of the deed and other documents related to this transaction shall be determined based upon a survey and legal description approved by the Seller, in its sole discretion. The conveyance shall be of the Property in its "as is" condition.

<b>Deposit</b>	A deposit of Ten percent (10%) of the Purchase Price, but not to exceed ten thousand and 00/100 dollars (\$10,000) shall be due upon execution of the Agreement (defined below) <i>30 days after execution of the Agreement.</i> (SSA)
<b>Purchase Price</b>	The Property shall be sold for three hundred thousand and 00/100 dollars (\$300,000). The price is based upon an appraisal, obtained by the Seller on July 13, 2012, for the highest and best use of the Property. The Seller's procurement of appraisal services is subject to prior receipt and approval of the Survey (defined below) and, further, if necessary as determined in Seller's sole discretion, Seller's obtaining an independent survey of the Property. The Purchase Price, less the Deposit, shall be due to Seller at settlement.
<b>LOI Execution Date</b>	The date the Letter of Intent is executed by the District and WOW.
<b>Survey</b>	WOW at its expense shall obtain a survey by a licensed surveyor, together with a metes and bounds legal description, of the Property ("Survey") and shall provide a copy of said Survey to the Seller within 30 days after the LOI Execution Date.
<b>Documentation</b>	WOW shall provide the following documents to the Seller within 30 days of the LOI Execution Date: <ul style="list-style-type: none"> <li>• Business plan for the proposed Renaissance Place development project for affordable/workforce housing – multifamily and single-family dwellings.</li> <li>• Current letters of commitment or other proof of funds from financing sources</li> <li>• Financial statements and analysis that demonstrate economic viability</li> <li>• Updated survey of the Property</li> <li>• Confirmation that WOW or its Parent, Temple of Praise has ownership and control of the adjacent property located at 700 Southern Avenue.</li> </ul>
<b>Purchase &amp; Sales Agreement</b>	The later of sixty days from LOI Execution Date or when DGS receives all required information from WOW, the parties shall negotiate a purchase and sales agreement containing the terms and conditions for the Seller's conveyance of the fee interest in the Property to WOW ("Agreement"). Execution of such Agreement is subject to prior Council Approval (defined below) and to Seller obtaining a Mayor's Order delegating the Mayor's authority under D.C. Code Section 10-801, as set forth in Exhibit B, to the Department of General Services. WOW shall execute the Agreement within thirty (30) days after Council Approval; if WOW fails to execute the Agreement within such time period, then, as of the 31 <sup>st</sup> day, this LOI shall be of no further force and effect, the Agreement shall be deemed withdrawn, and all obligations of the parties' to one another shall cease and be of no

further force and effect.

**Right of Reversion**

The Agreement shall contain the right of reversion as set forth in D.C. Official Code Sec. 10-801(b-1)(1)(A).

**Disposition**

Disposition of the Property is contingent on approval by the District of Columbia Council in accordance with D.C. Official Code Section 10-801 ("Council Approval").

**Settlement Costs**

WOW shall be responsible, at its own cost and expense, in addition to the Purchase Price, for all fees related to transferring title and recording the Deed for the Property at settlement ("Settlement Costs").

**Settlement**

Settlement shall occur within thirty (30) days after execution of the Agreement.

**Anti-Deficiency**

All financial obligations of the Seller under this letter of Intent, if any, or any subsequent agreement entered into by the parties are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act (31 U.S.C. §§ 1341, 1342, 1349-1351, 1511-1519 and D.C. Official Code §§ 1-206.02(e) and § 47-105 (2001)), (ii) the District of Columbia Anti-Deficiency Act (D.C. Official Code §§ 47-355.01 et seq. (2006 Supp.); and (iii) § 446 of the District of Columbia Home Rule Act (D.C. Official Code § 1-204.46 (2006 Supp.)), each as may be amended from time to time.

**Non-Binding Provisions**

Notwithstanding any other provision of this letter, this letter 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 the parties or any of their affiliates to pursue the transaction contemplated by this letter or any other transaction. It is understood that none of the parties hereto shall be legally bound to the other by reason of this letter nor shall any rights, liabilities or obligations (including the obligation to negotiate in good faith) arise as a result of this letter or any other written or oral communications between the parties. It is further understood that the only binding agreement would be the Agreement, subject in all events to prior Council Approval, if applicable.

**Subject to Director Approval**

This letter of intent shall not be effective until approved and signed by the Director of the Department of General Services.

If the above terms are acceptable, please so indicate by counter-signing below. If you have any questions contact Sheryl Ponds at 202-741-0942.

Sincerely,



Jonathan Kayne  
Associate Director  
Portfolio Division

**AGREED AND ACCEPTED:**

**Way of the Word Community Development Corporation**

By:  \_\_\_\_\_  
Title: Exec. Dir.  
Date: 4/13/13

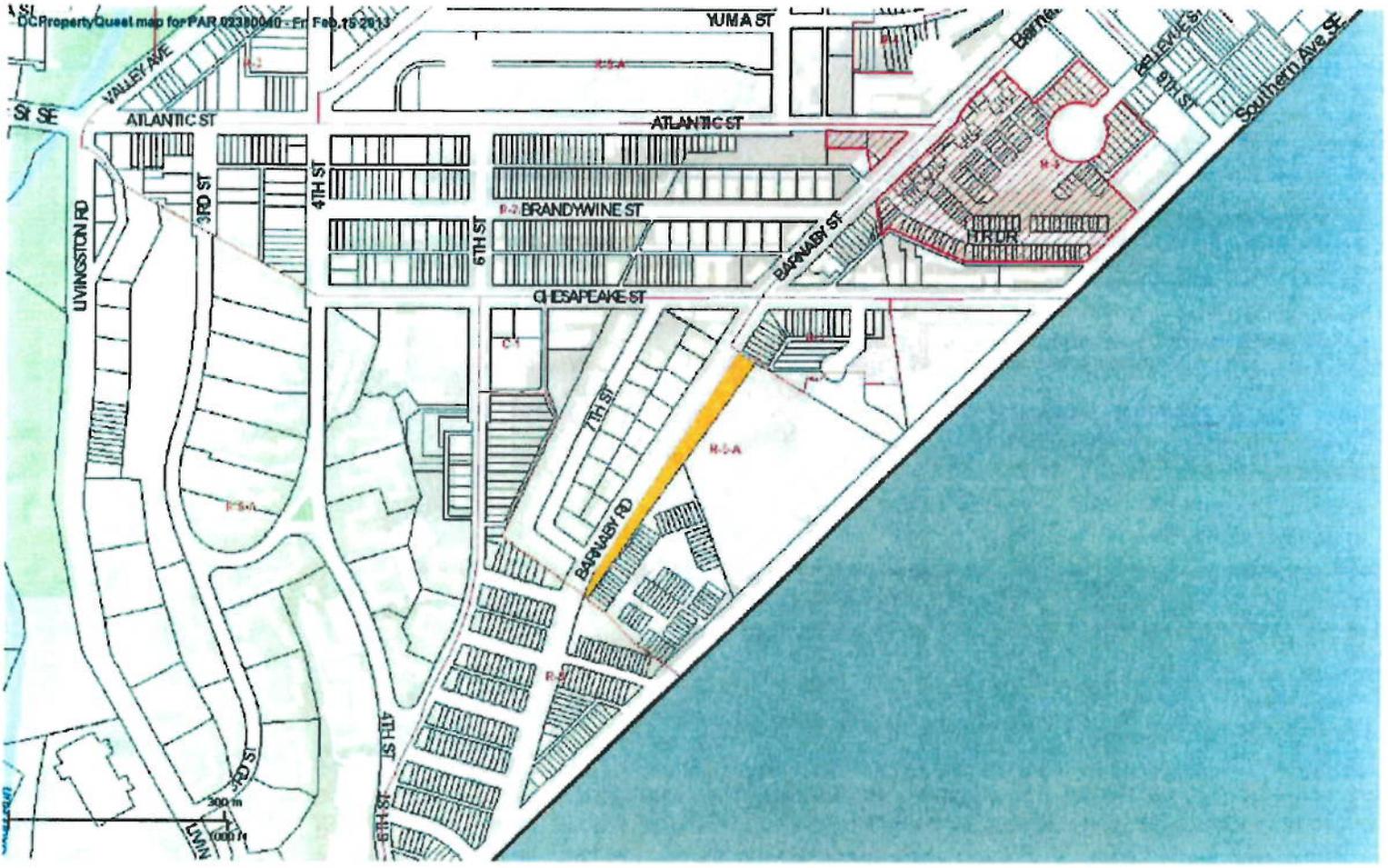
**APPROVED BY DIRECTOR OF DEPARTMENT OF GENERAL SERVICES:**

**Brian J. Hanlon, Interim Director**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# Proposed site for LOI District of Easement and Disposition



Submitted by: SE Ponds, Portfolio Division

**DCPropertyQuest report for PAR 02380040 - Fri Feb 15 2013**

SSL	PAR 02380040
Lot type	air right
Property type	GARAGE/UNIMPROVED LAND
Use code	191 Vacant True
Land area	47476 square feet
Premise address	BARNABY RD SE
Owner	DISTRICT OF COLUMBIA
Care of	SUITE 307
Mailing address	1350 PENNSYLVANIA AVE NW
City, state, zip	WASHINGTON, DC 20004-3003
Vacant land use	Y
Class type	
Homestead tax deduction	(none)
Tax rate	0
Mixed use	S
Mixed use 1 tax type	DC
New land	\$675,110
New improvements	\$0
New total	\$675,110
Sale price	\$0
Sale date	Null

SSL	PAR 02380040
Lot type	air right
Property type	GARAGE/UNIMPROVED LAND
Use code	191 Vacant True
Land area	47476 square feet
Premise address	BARNABY RD SE
Owner	DISTRICT OF COLUMBIA
Care of	SUITE 307
Mailing address	1350 PENNSYLVANIA AVE NW
City, state, zip	WASHINGTON, DC 20004-3003

**DCPropertyQuest report for PAR 02380040 - Fri Feb 15 2013**

SSL (Square, Suffix, & Lot)	PAR 02380040
Zoning	R-5-A
Ward (unchanged)	8
Neighborhood cluster	39
2010 Census Tract	98.11
2010 Census Block Group	2
2010 Census Block	2000
Voting Precinct (2012)	9
ANC (unchanged)	8D
SMD (unchanged)	8D01
Zoning	R-5-A
Neighborhood cluster	39
2010 Census Tract	98.11
2010 Census Block Group	2
Historic Resources	

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(none in the current database)

**Appraisal of the  
Land Parcel PAR 02380040  
Barnaby Road SE  
Washington, DC 20032**

**Prepared For:**

Mrs. Hope D. Lawery  
**Answer Title/District of Columbia**  
10 G Street NE Suite 510  
Washington, DC 20002

**Prepared By:**

**Accurate Appraisals**  
551 Park Road  
Washington, DC 20010

**Accurate Appraisals**  
551 Park Road NW  
Washington, DC 20010  
Phone 202-722-1370

March 11, 2014

Mrs. Hope D. Lawery  
**Answer Title/District of Columbia**  
10 G Street NE Suite 510  
Washington, DC 20002

*Regarding: Land Parcel PAR 02380040 Barnaby Road SE Washington, DC 20032*

Mrs. Hope Lawery:

Accurate Appraisals has performed an appraisal of the subject property, in consideration of all relevant valuation techniques. The data, analysis and conclusions resulting in the market value estimate are described in the attached appraisal report, which is presented in a summary format.

The subject property is an unimproved, irregular shaped land parcel located along Barnaby Street SE Washington, DC. Based on the assessment card, the land area is approximately 47,476 SF.

The purpose of this appraisal assignment is to estimate the fair market value of the fee simple interest in the subject property.

In performing this assignment, the appraiser has contemplated the actions of the market and has concluded to an estimate of market value in consideration of current economic indicators extracted from the marketplace. Our study consisted of a personal inspection of the property and a comprehensive investigation into the competitive marketplace for similar assets. All relevant factors, as they relate to value, were examined in consideration of the current economic environment.

This report is presented in a summary format as established in Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. The report has been prepared in conformity with, and subject to, the appraisal guidelines of the Code of Professional Ethics and Standards of Conduct of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

*Page Two*

Mrs. Hope D. Lawery  
**Answer Title/District of Columbia**

*Regarding: Land Parcel PAR 02380040 Barnaby Road SE Washington, DC 20032*

Based upon my findings, it is my opinion that the market value of the fee simple interest in the subject property identified as **PAR 02380040 Barnaby Road SE Washington, DC**, in its "as is" condition, as of February 22, 2014, is:

**THREE HUNDRED THOUSAND DOLLARS**  
**\$300,000**

The attached appraisal report describes the data and analysis, which serves as the basis for our value conclusion. Separation of the signature pages from the balance of this report is inappropriate.

Respectfully submitted,



E. Michael Jordan  
Principal

**District of Columbia - Certified General Real Estate Appraiser #11349**

**PHOTOGRAPHS OF SUBJECT PROPERTY**



**Aerial View of Subject**



**Apartment Complex west of subject**



**South View**



**Street View**



**North View**



**Adjacent Church**



**Adjacent Townhouses**



**Adjacent Apartment Building**

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## CERTIFICATION

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**I, E Michael Jordan**, certify that I have personally inspected the subject property. I have considered all of the pertinent facts affecting the value thereof. Also, I certify that all market data accumulated from various sources pertaining to the final value estimate has been, where possible, personally examined and verified as to details, motivation, and validity.

### **Additionally, I certify that:**

- **The statements of fact contained in this report are true and correct.**
- **The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.**
- **I previously performed an appraisal of the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.**
- **I have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.**
- **I have no bias with respect to the property that is the subject of this report, or to the parties involved in this assignment.**
- **My engagement was not contingent upon developing or reporting predetermined results.**
- **My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event related to the intended use of appraisal.**
- **My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.**
- **I have made a personal inspection of the property that is the subject of this report.**
- **No one else assisted the appraiser in performing the formal inspection of the subject property.**

### **Additionally, I certify that:**

- **I am competent to perform this appraisal based upon past experience appraising similar commercial properties throughout the Baltimore-Washington area.**
- **That the appraisal report conforms to the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA").**
- **That this Certificate of Value is only valid when accompanied by the attached Basic Assumptions and Limiting Conditions.**
- **Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.**

This report has been made in conformity with, and subject to, the minimum requirements of the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute (AI) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

**CERTIFICATION**

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I hold the necessary state certification to appraise the subject property in conjunction with federally related transactions.

Based upon my findings, it is my opinion that the market value of the fee simple interest in the subject property identified as **PAR 02380040 Barnaby Road SE Washington, DC**, in its "as is" condition, as of February 22, 2014, is:

**THREE HUNDRED THOUSAND DOLLARS**  
**\$300,000**

Presentation of this signature page from the balance of our report is not an appropriate use of the document.

***Accurate Appraisals***



E. Michael Jordan  
Principal

**District of Columbia - Certified General Real Estate Appraiser #11349**

**This appraisal report is subject to the underlying assumptions and limiting conditions qualifying the information contained in this report as follows.**

This appraisal is based on the national and local economic conditions, purchasing power of money, and financing rates prevailing on the effective date of valuation.

The valuation estimate and market or feasibility conclusions apply only to the property specifically identified and described in this report.

By reason of the purpose of this appraisal, and the function of the report herein set forth, the value reported is only applicable to the property rights appraised and the appraisal report should not be used for any other purpose.

Information and data contained in this report, although obtained from public records and other reliable sources and, where possible, carefully checked by the appraiser, are accepted as satisfactory evidence upon which rests the final estimate of property value. Information identified as being furnished or prepared by others is believed to be reliable, but no responsibility for its accuracy is assumed. We have relied upon historical operating statements, rent ceilings, a rent roll and other financial data that was provided by the borrower, onsite property manager and our client.

No responsibility beyond reason is assumed for matters of a legal nature, whether existing or pending. Title to the property is assumed to be good and marketable unless otherwise stated.

It is assumed that all information known to the client and relative to the valuation has been accurately furnished and that there are no undisclosed leases, agreements, liens, or other encumbrances affecting the use of the property. The property is being appraised free and clear of any or all liens or encumbrances unless otherwise stated.

Ownership and management are assumed to be competent and in responsible hands.

The appraisers have made no legal survey nor have they commissioned one to be prepared; therefore, reference to a sketch, plat, diagram, or previous survey appearing in this report is only for the purpose of the reader to visualize the property.

The appraisers are not engineers, and any references to physical property characteristics in terms of quality, condition, cost, suitability, soil conditions, flood risk, obsolescence, etc., are strictly related to their economic impact on the property. No liability is assumed for any engineering-related issues.

The appraisers have not been furnished with soil or subsoil tests. In the absence of soil boring tests, it is assumed that there are no unusual subsoil conditions or, if any do exist, they can be or have been corrected through the use of modern construction techniques at a reasonable cost.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the report. The existence of potentially hazardous materials used in construction or maintenance of the building, such as the presence of urea formaldehyde foam insulation, asbestos, and/or existence of toxic waste, which may or may not be present on the property, has not been considered. The valuation is subject to change if any such potentially hazardous materials were detected by a qualified expert in these areas. The appraisers reserve the rights to modify this valuation if so warranted.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the report. It is also assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

The valuation contained in this report does not include any cost to cure (if necessary) limitations in the improvements that do not satisfy the Americans with Disabilities Act of 1990 (P.L. 101-336). The appraisers were not made aware of any such deficiencies (unless stated in this report) and are not experts in the field of detecting their presence or estimating the costs to cure pre-existing, non-conforming structures.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report. The distribution of the total valuation in this report between land and improvements applies only under the existing or proposed program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisals and are invalid if so used.

If the subject of this report is a proposed building or project, the appraisers reserve the right to: (A) review finalized plans; (B) require a current on-site inspection prior to release of funds; and (C) recertify the previously reported value.

Neither all nor part of the contents of this report, especially any conclusions as to value, the identity of the appraisers, the firm with which they are connected, any reference to the Appraisal Institute or the MAI or SRA designations, shall be reproduced for dissemination to the public through advertising, public relations, news, or sales media, or any other public means of communication without the prior consent and written approval of the appraisers.

Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute and has been prepared with the intention of conforming with the reporting standards of the Office of the Comptroller of the Currency, and the Uniform Standards of Professional Practice, except that the Departure Provision shall not apply.

## **BASIC ASSUMPTIONS AND LIMITING CONDITIONS**

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The appraisers, by reason of this appraisal, shall not be required to give testimony as an expert witness in any legal hearing or before any court of law unless justly and fairly compensated for such services.

Possession of this report or a copy thereof does not imply right of publication, nor use for any purpose by any other than the person to whom it is addressed, without the written consent of the authors.

I have relied upon information obtained from the property owner in making certain decisions that relate to the valuation of the property. It is assumed that the information provided is correct, as this was relied upon in the appraisal process.

I have predicated our estimate of market value on a sale involving cash, or financial arrangements equivalent to cash (i.e. market rate financing). Market evidence indicates that the property will likely be acquired through the use of financing.

Any separation of the signature pages from the balance of our report invalidates the conclusion.

**SECTION II - GENERAL INFORMATION**

**Identification of the Subject Property**

The subject property is identified in the District of Columbia land records as PAR 02380040.

**Purpose of the Appraisal**

The purpose of this appraisal is to estimate the as is market value of the fee simple interest in the subject property in it's "as is" condition, as of a current date.

**Scope of Work and Intended Use of the Appraisal**

The intended use of the appraisal is to assist my client, Answer Title/District of Columbia, in evaluating the asset for internal management purposes.

The appraisal process was initiated with an inspection of the subject property, which occurred on February 22, 2014. During this process, the appraiser walked the perimeter of the entire site. In addition to the inspection, the appraiser obtained property specific information from public records, and information obtained from the contact person.

General economic data such as population, income, households, employment, etc., was gathered from governmental sources and through secondary sources, such as the Regional Multiple Listing and CoStar. Other information such as taxes, ownership history and zoning was provided by governmental and private sources. The property specific data is analyzed in consideration of the overall economic conditions and investment parameters for similar properties in the market area.

Because the subject property is an unimproved site that is not encumbered with a ground lease agreement, the Sales Comparison Approach is the only applicable valuation procedure. The Cost Approach and Income Capitalization Approach are not applicable in the land valuation analysis and were not considered.

Market data used in this report was obtained through a variety of sources, including: interviews with commercial real estate brokers, leasing agents and property managers, assessment and land records from the various local jurisdictions, loopnet, the Regional MLS and Costar/Comps. The sales data included herein was confirmed through our conversations with market participants that were involved in the various transactions and the most relevant sales were employed in a comparison to the subject property, wherein adjustments are applied to reflect variances between the subject property and comparables. The adjusted indications are then reconciled to extract an indication of market value for the subject property.

Upon completion of the applicable valuation techniques, the value indications are weighted based on their relevance to the appraisal problem and the quality of the data available. The appraiser then concludes to an estimate of market value in consideration of the relevant approaches.

**Valuation Dates**

The effective date of the appraisal is the date of our most recent inspection, which occurred on February 22, 2014. The date of report reflects the time period during which I worked on the assignment. This transpired between February 22 and March 11, 2014.

**History of Ownership**

Based on a review of the assessment card, the District of Columbia is the current owner of the subject property. To the best of our knowledge, there have not been any other recent transfers involving the subject property in the past five years. According to a representative of the District of Columbia, the owner of an adjacent property has issued a letter of intent to purchase the subject property. As of March 10, 2014, a copy of the letter of intent was not available for review. The prospective buyer has plans to assemble the subject lot with adjacent lots for future development of single family housing units.

**Property Rights Appraised and Relevant Definitions**

**Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>1</sup>

**Market Value<sup>2</sup>:** means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the 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 interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. 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.

**Plottage<sup>3</sup>:** the increment of value created when two or more sites are combined to produce greater utility.

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<sup>1</sup> Appraisal Institute, Dictionary of Real Estate Appraisal, 3rd ed. (Chicago: Appraisal Institute, 2002), 140.

<sup>2</sup> Dictionary of Real Estate Appraisal, 222.

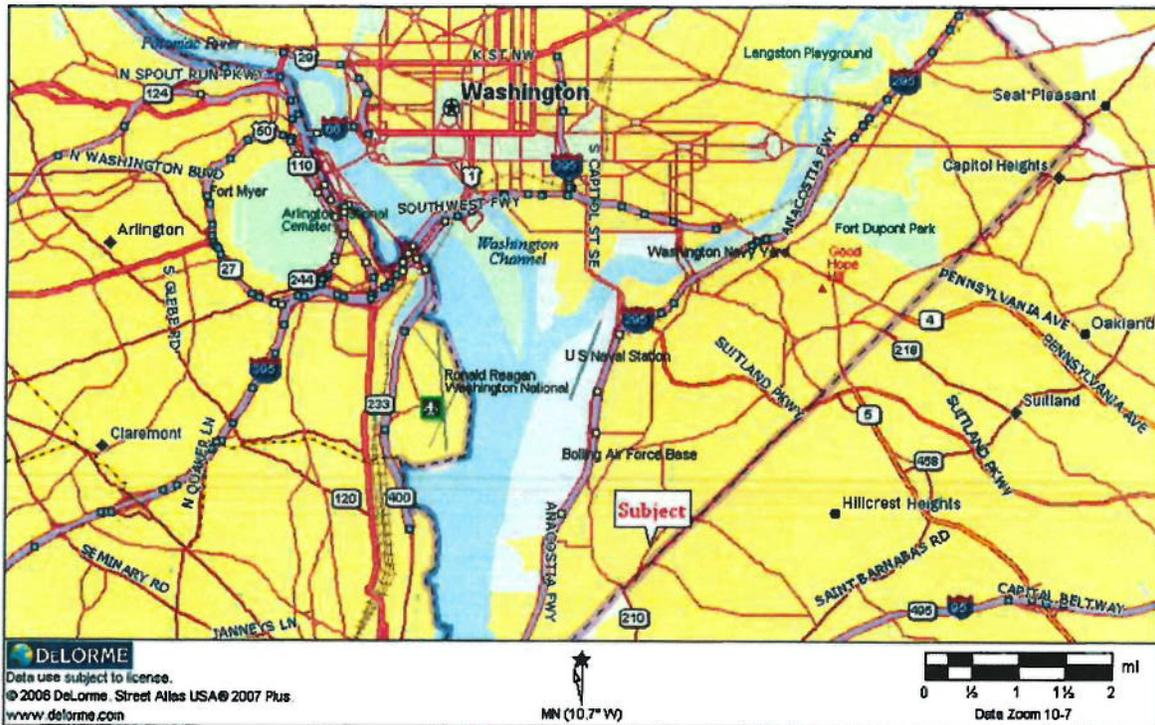
<sup>3</sup> Dictionary of Real Estate Appraisal, 269.

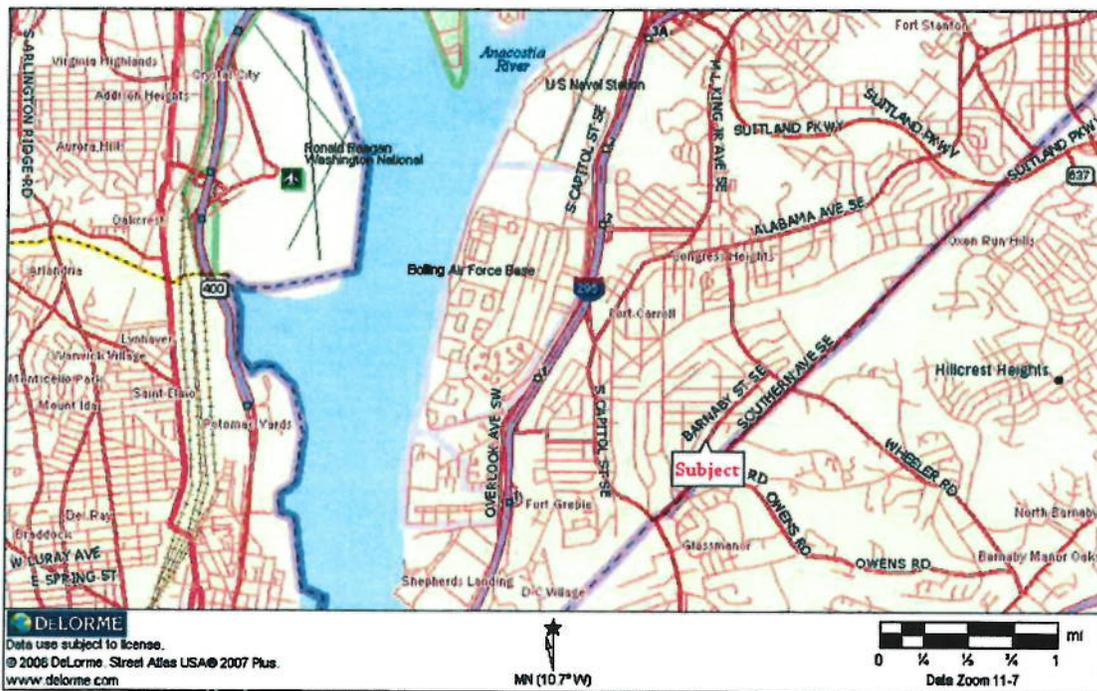
**SECTION III - DESCRIPTION, ANALYSIS,  
AND  
CONCLUSIONS**

In the Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, a neighborhood is defined as "a group of complimentary land uses; a congruous grouping of inhabitants, buildings or business enterprise". The goal of this analysis is to define the relevant governmental, environmental, economic and social factors that most directly influence the value of the subject property.

Regional Economic conditions as well as employment and population shifts impact the valuation of property in the District of Columbia. However, due the subject's small size, the more relevant exterior influences are exerted on a local or neighborhood level.

The subject property is located within the Congress Heights/Washington Highlands neighborhood of the southeast quadrant Washington, DC. The neighborhood is approximately 7.0 miles or 15 minutes southeast of the Washington D.C. central business district. The neighborhood is defined as the area south of Saint Elizabeth Hospital, east of South Capitol Street SE, and northwest of Southern Avenue SE. The following maps illustrate the subject's location in the region and neighborhood.





**Governmental Influences**

The primary government influence on real property in the subject’s neighborhood is exerted by the District of Columbia. The District controls real estate assessment and taxation, planning and zoning, police service, fire and rescue services, education and judicial process.

**Environmental Influences**

With regard to environmental influences, the relevant characteristics relate to development patterns and access.

Development Patterns:

The subject is located within an urban residential district. Most of the land surrounding the subject is zoned for low to moderate density residential development. A 9-story apartment building and a church facility are east of the subject property. A 275-unit garden apartment complex is just west of the property. Single family townhomes are south of the site and single family duplexes are just north of the site. Most of the development was constructed during the 1940’s and the surrounding properties appear to be fully occupied and well maintained.

The largest land uses within the neighborhood include the 350 acre Saint Elizabeths Hospital campus and Bolling Air Force Base. The Saint Elizabeth campus is currently being redeveloped and will contain the new headquarters for the U.S. Department of Homeland Security. This new development is projected to bring approximately 14,000 new employees to the neighborhood. In addition, the U.S. Coast Guard’s new 1.2 million square feet headquarters is under construction and expected to open in 2014, bringing 3,700 new employees to the area.

## NEIGHBORHOOD ANALYSIS

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The neighborhood has also experienced some of the District's newest residential construction and renovations over the past ten years. Since 2001, 30 development projects valued at more than \$1 billion have been completed, including 2,975 residential units and 114,000 square feet of retail space.

### Access and Exposure:

The neighborhood provides convenient access to public transportation, shopping and employment centers and major thoroughfares. The following chart illustrates linkages and access for the subject property.

	<b>Distance to Subject</b>
Bus Service	1-2 Blocks
Public Train Station	1.31 miles
Schools	3.00 mile radius
Interstate 295	3.00 miles
Bolling Air Force Base	3.00 miles
Washington DC Central Business District	7.00 miles

### **Population/Social/Economic Trends**

To gain a better understanding of the social and economic characteristics among residents in the subject's neighborhood, we considered statistical information pertaining to residents in a one and three mile radius from the subject property. This data was obtained through M&S Connect (Marshall and Swift), which uses data supplied from Applied Demographic Solutions.

	<b>1.00 mile</b>	<b>3.00 mile</b>
2010 Population	34,742	142,768
2013 Population	35,109	144,447
2018 Population (projection)	36,879	151,860
<b>Projected Change 2013-2018</b>	<b>0.99% annually</b>	<b>1.03% annually</b>
2013 Households	14,485	58,656
2013 Average Household Size	2.39 persons	2.41 persons
2013 Per Capita Income	\$19,988	\$25,848
2013 Median Household Income	\$36,765	\$43,963
2013 Average Household Income	\$48,952	\$63,322
2013 Households by Income		
% Households < \$25,000	32.8%	26.3%
% Households \$25,000-\$50,000	32.0%	29.2%
% Households \$50,000-\$75,000	16.3%	18.0%
% Households \$75,000-\$100,000	8.2%	9.6%
% Households \$100,000-\$150,000	7.8%	10.0%
% Households \$150,000+	2.9%	6.8%
2013 Housing		
Owner Occupied Housing Units	24.9%	33.8%
Renter Occupied Housing Units	75.1%	66.2%

## NEIGHBORHOOD ANALYSIS

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These demographics encompass the subject's defined neighborhood. The data suggests a stable population base. Income characteristics depict relatively lower levels compared to regional trends with mostly renter occupied housing units. In terms of housing costs, I examined information gathered through the multiple listing services (MRIS) and found that from February 22, 2013 to February 22, 2014 net sales prices for single-family homes within the neighborhood ranged from \$41,997 to \$460,000 with an average of \$174,693 and a median of \$179,233.

The following chart illustrates the annual sales data for townhouses, built after year 2000 within the defined neighborhood.

### Neighborhood Residential Sales

Annual Net Sales Data for Townhouses built after 2000 within the defined neighborhood						
Year	2009	2010	2011	2012	2013	YTD 2014
Sales Volume	13	35	11	5	6	2
Lowest Net Sale Price	\$182,540	155,000	\$115,000	\$145,000	\$145,000	\$229,000
Highest Net Sale Price	\$254,054	\$275,000	\$235,187	\$215,000	\$194,000	\$260,000
Median Net Sale Price	\$208,687	\$229,900	\$156,000	\$155,000	\$168,659	\$244,500
Average Net Sale Price	\$212,067	\$221,302	\$171,264	\$166,000	\$168,436	\$244,533
Avg. Days on Market	129	72	149	78	38	72

The median net sales price was \$315,000 in 2007. After the downturn in the economy in 2008, the average sales prices decreased to \$229,900 in 2010 and \$156,000 in 2011. The transfers in during 2010, 2011 and 2012 include a significant amount of foreclosures and short sales.

### District of Columbia Employment

The following chart summarizes employment and un-employment trends in the District of Columbia over the past years.

DISTRICT OF COLUMBIA EMPLOYMENT				
Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
YTD 2014	369,466	342,274	27,192	7.4%
2013	373,576	341,755	31,821	8.5%
2012	358,279	324,915	33,364	9.3%
2011	349,658	314,794	34,864	10.0%
2010	345,299	309,884	35,415	10.3%
2009	333,400	303,617	29,783	8.9%
2008	332,478	313,293	19,185	5.8%

Source: LAUS and Bureau of Labor Statistics

The 2010 unemployment rate of 10.3% was the highest rate the District has experienced over the past years. There has been some recent improvement as the unemployment rate decreased to 7.4% as of January 2014.

### **Conclusion:**

The subject property is located within an urban residential district that provides good access to shopping and employment centers, public transportation, schools and major roadways. There neighborhood had been in a period of revitalization. The revitalization slowed with the downturn in the economy but there are still major development projects under construction that could have a positive impact on real estate values over the next few years.

## MARKET ANALYSIS

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The subject property is an unimproved, residential zoned parcel. This section identifies and discusses market conditions impacting residential zoned sites in the market area. The subject is within the Congress Heights/Washington Highlands neighborhood. However, the relevant market area is defined to include all District of Columbia neighborhoods that are east of the Anacostia River.

### *Residential Land Sales*

In the course of completing this assignment, I have researched recent land sales within the east of the Anacostia River market area. Similar to the subject property, these sales involve sites that are zoned for residential development. The following chart is a list of recent residential land sales.

Location	Sale date	Zoning	Sale Price	Land Area SF	Price/SF
3 <sup>rd</sup> Street SE Washington, DC	Listing	R-2-Residential Single Family	\$135,000	26,341	\$5.13
3736 Horner Place SE Washington, DC	1/2014	R-2-Residential Single Family	\$249,000	21,300	\$11.69
811 55 <sup>th</sup> Street NE Washington, DC	4/2013	R3-Residential Single Family	\$95,000	19,892	\$4.78
304-320 St. Louis Street SE Washington, DC	2/2013	R3-Residential Single Family	\$533,490	41,241 SF	\$12.94
14 <sup>th</sup> Street SE Washington, DC	4/2012	R3-Residential Single Family	\$13,300	3,108	\$4.28
2629 12 <sup>th</sup> Place SE Washington, DC	1/2012	R-5-A-Residential Single Family	\$24,400	2,087	\$11.69
Morris Rd & Talbert Rd SE Washington, DC	12/2011	R-4 - Residential Single Family	\$1,000,000	50,965	\$19.62
Gainesville Street SE Washington, DC	11/2011	R-3 - Residential Single Family	\$350,000	46,039	\$7.60
2308 Pomeroy Road SE Washington, DC	9/2011	R-3 - Residential Single Family	\$20,000	2,923	\$6.84
Minnesota Avenue NE Washington, DC	4/2011	R-2 Residential Single Family	\$375,000	55,321	\$6.78
1430 Eastern Avenue NE Washington, DC	12/2010	R-5-A Residential Single Family	\$65,000	8,738	\$7.44
Raynolds Place SE Washington, DC	10/2010	R-2 Residential Single Family	\$45,000	8,428	\$5.34
R Bruce Place SE Washington, DC	10/2009	R-2 Residential Single Family	\$350,000	67,983	\$5.15
Sayles Place SE Washington DC	9/2009	R-5-A Residential Single Family	\$665,000	67,082	\$9.91
					Low \$4.28
					High \$19.62
					Avg. \$8.51
					Median \$7.14

The above-cited sales involve sites that might be a suitable alternative acquisition in comparison to the subject. The sales prices range from \$4.28 per SF to \$19.62 per SF with an average of \$8.51 per SF and a median of \$7.14 per SF. The factors that influence the sales prices include zoning, projected development cost, utility, frontage, size and location.

**Estimates for Exposure and Marketing Time**

The estimated marketing period is a prediction of how long it should take to sell the subject property at the indicated market value/price level, in the period immediately following the effective date of sale. The exposure time estimate is intended to reflect the estimated marketing period, which should be anticipated for the subject property to sell at the estimated market value level, prior to a hypothetical sale on the effective date of appraisal. These predictions are a function of both price and time. For instance, a property could be listed at an unreasonable price 18 months if the price is then dropped to a reasonable level, which results in a sale of the property six months later, the extracted marketing time would be six months, rather than two years. Recent sales of office properties in the submarket required marketing periods from 59 to 417 days with an average of 248 days. Market evidence suggests that the subject property should sell in 12-18 months, assuming market oriented pricing and professional marketing.

**Conclusion**

According to brokers in the market, there is strong demand and limited supply of affordable housing units within the District of Columbia. This demand for affordable housing has generated moderate demand for land available for new residential construction. The median sale price of recent transfers of residential sites is \$7.14/SF.

## DESCRIPTION OF THE SITE

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The following description of the subject property was compiled through an inspection of the property and from a review of tax maps and plats.

### Description of the Site

The following chart illustrates the size, shape, topography flood plain and census trac of the subject property. The subject is identified as **PAR 02380040**.

Size	Shape	Topography	Flood Plain	Census Trac
47,476 SF	Extremely Irregular	Upward slope from street	No-FEMA Zone X	0098.11
	Long Narrow shape			



The subject is an unimproved site. According to a representative from the District of Columbia planning department all utilities are available to the site. The property has good frontage and access along Barnaby Streets SE but an extremely irregular shape.

In terms of surrounding development, the subject is located within a residential district. A 9-story apartment building and a church facility are east of the subject property. A 275-unit garden apartment complex is just west of the property. Single family townhomes are south of the site and single family duplexes are just north of the site.

The subject is identified on the FEMA Flood insurance rate map (FEMA-FIRM) number 1100010078C, dated September 27, 2010. Based on this source, the property is outside of the 100 year flood zone.

### Conclusion:

The subject is an unimproved site that is surrounded with residential development. It has good access and visibility from the streets. However, the extremely irregular shape limits the utility or development potential. Based on the inspection and a review of plat maps, it appears that the northern portion of the site can be developed with a legal use while the narrow southern portion of the site will be considered surplus land.

**ZONING**

The subject property is within the General Residential (R-5-A) Zoning District. The R-5-A district permits matter-of-right development of single-family residential uses (including detached, semi-detached, row dwellings, and flats), churches and public schools. With the approval of the Board of Zoning Adjustment, new residential development of low density residential uses including row houses, flats and apartments to a maximum lot occupancy of 40%, 60% for churches and public schools; a maximum floor area ratio (FAR) of 0.9, and a maximum height of three (3) stories/forty (40) feet. Conversion of existing buildings to flat or apartment uses is permitted as a matter of right provided all other provisions of the zoning regulations are complied with.

**REAL ESTATE ASSESSMENTS AND TAXES**

The subject is identified in the District of Columbia land records as PAR 02380040. The District of Columbia is also the current owner of the property.

The District of Columbia has an annual assessment program where all real property is reassessed at 100% of the estimated fair market value as of January 1 of each year. The subject's current 2012 assessment value is \$675,110 or \$14.22/SF.

The tax year for the District of Columbia extends from January 1 through December 31 and the annual tax liability is calculated by multiplying a tax rate by the assessed value. The current tax rate is \$0.85/\$100 of assessed value for residential properties. Since the District of Columbia owns the subject property it does not have a current tax liability. However, the following chart illustrates the subject's 2012 projected assessment value and tax liability.

	<b>2014</b>
Land Assessment Value	\$675,110
Improvements Assessment Value	Not Applicable
<b>Total Assessment Value</b>	<b>\$675,110</b>
Tax Rate per \$100 assessed	\$0.85
<b>Projected 2012 Tax Liability</b>	<b>\$5,738</b>

**Conclusion:**

The subject's current assessment value of \$675,110 or \$14.22/SF is significantly higher than most of the recent sale prices and listings for similar residential zoned sites within the District of Columbia. It is my opinion that an assessment appeal would be required if the subject were held under private ownership.

### Highest and best use may be defined as:

"That reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."<sup>1</sup>

In arriving at the highest and best use of the subject property, it was necessary to carefully examine the area in which the property is located and the actions of the market, past, present and future. The highest and best use of a property generally sets the parameters within which that property is evaluated.

To fulfill the highest and best use four criteria should be considered. It must be: (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Typically, this criteria should be considered in relation to the subject property under both the "as improved" and "as if vacant" scenarios.

#### Physically Possible

The subject property is an unimproved site that has good access and frontage along a residential street. It has a land area of 47,476 SF but an extremely irregular shape. The irregular shape limits the utility or development potential of the site. Based on the inspection and a review of plat maps, it appears that the northern portion of the site can be developed with a legal use while the narrow southern portion of the site will be considered surplus land.

#### Legally Permissible

In terms of legal uses, the primary legal constraint relates to zoning. The subject property has a single family residential zoning classification that also permits public and special purpose uses such as churches, schools and child development centers. With the approval of the Board of Zoning adjustment, a multi-family or apartment building is also permitted.

#### Financial Feasible

Based on the application of the land residual technique, single family residential, special purpose and multifamily uses are financially feasible.

#### Maximally Productive

There is a strong demand for affordable housing units within the District of Columbia. The immediate neighborhood has below average household income levels and 75.1% of the housing units are renter occupied. Therefore, residential rental development is the maximally productive use of the site.

### Conclusion:

The highest and best use of the subject is to assemble with an adjacent parcel and hold for future residential rental development.

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<sup>1</sup> Appraisal Institute, *The Appraisal Of Real Estate*, 11th Edition, 1996. Page 45.  
**Accurate Appraisals**

**SECTION III - VALUATION OF  
THE PROPERTY**

The purpose of this appraisal is to determine the market value of the subject property in accordance with commonly accepted valuation procedures. The valuation process is a systematic procedure employed to provide the answer to a client's question about real property value. There are three traditional approaches involved in the valuation of real property: the Income Capitalization Approach, the Sales Comparison Approach, and the Cost Approach.

The Income Capitalization Approach "consists of methods, techniques and mathematical procedures that an appraiser uses to analyze a property's capacity to generate benefits (i.e. the monetary benefits of income and reversion) and convert these benefits into an indication of present value." This analysis is typically performed through direct capitalization, wherein a stabilized income stream is capitalized at a market-oriented rate to derive a value indication ( $\text{Net Income} / \text{Capitalization Rate} = \text{Value}$ ). Another technique is the discounted cash flow analysis, where the anticipated income stream and reversion of a property are projected through an anticipated holding period and then correlated to a present value indication through the application of a market-oriented discount rate (IRR).

In the Sales Comparison Approach, "market value is estimated by comparing the subject property to similar properties that have recently sold, are listed for sale or under contract. A major premise of the Sales Comparison Approach is that the market value of the property is directly related to the prices of comparable, competitive properties." By comparing recent sale data extracted from the marketplace to the subject property, the appraiser applies adjustments to the comparable data to derive a market value indication relative to the subject property.

When performing the Cost Approach, the appraiser "estimates the cost to construct a reproduction or replacement of the existing structure and site improvements (including direct costs, indirect costs and entrepreneurial profit), then deducts all accrued depreciation in the property being appraised from the reproduction or replacement cost of the structure." The results provide an estimate of the depreciated building value, which is then added to the land value in order to obtain a value indication through the Cost Approach. This technique is most applicable with newer properties in areas with a significant amount of similar, available sites.

In each approach, the most important source of data is the marketplace for comparable and competing properties. This applies not only to comparable sales, but also to the determination of rent levels, vacancy rates, expenses and capitalization rates, as well as the estimation of construction costs, accrued depreciation and remaining economic life. At the conclusion, the value indicators are correlated into a final value estimate in consideration of the type of property being appraised and the adequacy of the market data.

Because the subject property is an unimproved site that is not encumbered with a lease agreement, the Sales Comparison Approach is the only applicable valuation procedure. The Cost Approach and Income Capitalization Approach are not applicable in the land valuation analysis and were not considered.

The Sales Comparison Approach involves a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy. This market data provides good evidence of value because it represents the actions of users and investors.

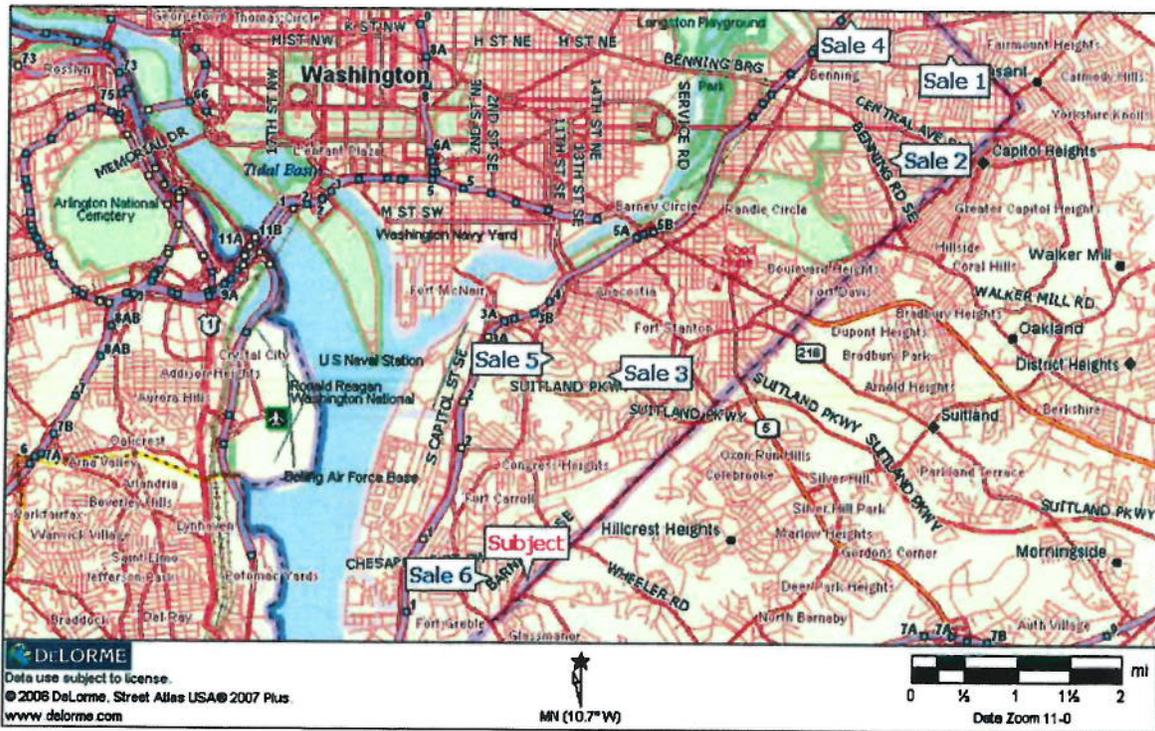
The Sales Comparison Approach is based on the principle of substitution, which states that a prudent buyer will not pay more to buy a property than it will cost to buy a comparable substitute property. This process recognizes that the typical buyer will compare asking prices and work through the most advantageous acquisition. In the Sales Comparison Approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties which constitute the market for a given type and class.

**Analysis of Comparable Sales**

I have conducted an extensive search for sales of comparable properties in the subject's market area. The sales selected for direct comparison to the subject property are summarized in the chart on the following page. A map illustrating their location relative to the subject property and aerial photographs of the comparable sales follow the chart.

Comparable Land Sales

Property Identification	Description	Zoning	Sale Date: Sale Price	Lot SF	Price /SF
1.) 811 55 <sup>th</sup> Street NE Washington, DC Lot 0805 Square 5213	Unimproved Cleared Land Rectangular shape Level Topography	R-3 Residential Single Family	04/2013 \$95,000	19,892	\$4.78
2.) 304-320 St Louis St SE Washington, DC Lot 36, 37, 43, 44 Sq. 5336	Unimproved Cleared Land Rectangular shape Level Topography	R-3 Residential Single Family	02/2013 \$533,490	41,241	\$12.94
3.) Gainesville Street SE Washington, DC Lot 0060 Square 5830	Unimproved Wooded Land Rectangular shape Sloping Topography	R-3 Residential Single Family	11/2011 \$350,000	46,039	\$7.60
4.) Minnesota Ave NE Washington, DC Lot 0846 Square 5097	Unimproved Cleared Land Irregular shape Level Topography	R-2 Residential Single Family	04/2011 \$375,000	55,517	\$6.75
5.) Sayles Place SE Washington, DC Lot 49-56 Square 5872	Unimproved Cleared Land Rectangular shape Sloping Topography	R-5-A Residential Single Family	9/2009 \$665,000	67,082	\$9.91
6.) 3 <sup>rd</sup> Street SE Washington, DC Lot 052 Square 6167	Unimproved Wooded Land Irregular shape Sloping Topography	R-2 Residential Single Family	Contract \$135,000	26,136	\$5.13



**PHOTOGRAPHS OF COMPARABLE SALES**



**SUBJECT**



**SALE 1**



**SALE 2**

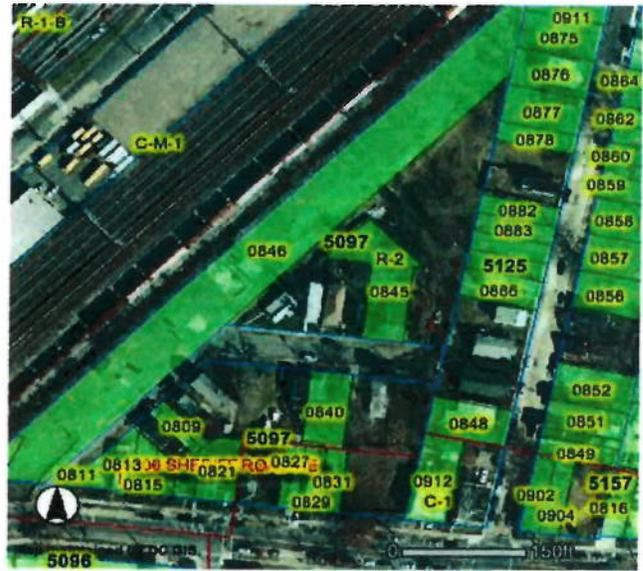


**SALE 3**

**PHOTOGRAPHS OF COMPARABLE SALES**



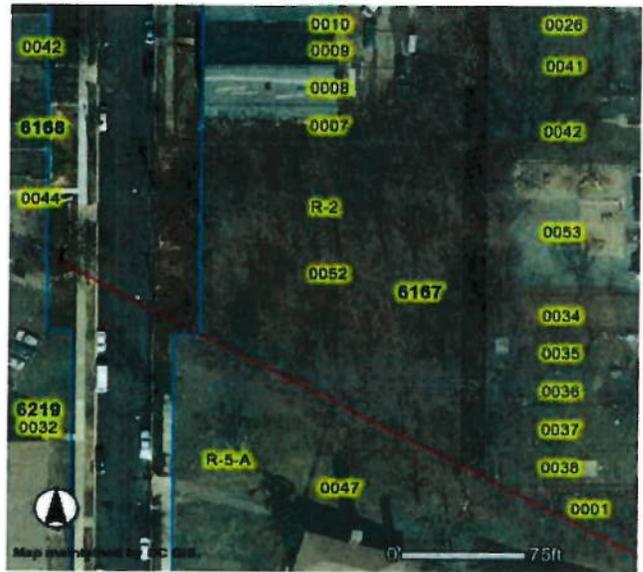
**SUBJECT**



**SALE 4**



**SALE 5**



**SALE 6**

the previously cited sales reflect the most recent, comparable transactions. These sales involving similar-quality residential zoned sites located within the east of the Anacostia market area. To correlate the sales to reflect a market value indication for the subject property, the data must be denominated to an appropriate unit of comparison, and then analyzed in relation to the subject property. This analysis is performed on the basis of dollars/SF of land area.

**Initial Adjustment Criteria**

Initially, adjustments are considered for factors such as financing, property rights conveyed, conditions of sale and changes in market conditions. In this instance, no adjustments are warranted for these factors.

**Primary Adjustment Criteria**

The primary adjustment criteria are zoning/entitlements, physical characteristics, and visibility/access.

**Zoning/Entitlements**

In terms of zoning, the subject is within the R-5-A zoning district. This zoning district is permits single family dwellings and allows for multi-family buildings if approved by the zoning adjustment board. Because comparable 1, 2, 3, 4 and 6 are within zoning districts that do not allow multi-family construction, they are inferior to the subject in terms of development potential. As a result, I applied moderate upward zoning adjustments to these comparable sales. Because comparable 2 sold with building permits, it is superior to the subject in term of entitlements. Therefore, a significant downward adjustment is applied to comp 2.

**Physical Characteristics**

As indicated, the subject's long and narrow shape limits its utility or development potential. Comparable 1 and 4 are similar to the subject in terms of shape and utility. Comparable 2, 3, 5 and 6 are physically superior to the subject property. Therefore, downward physical characteristic/shape adjustments are applied to these sales.

**Access/Visibility**

Because comparable 4 is within closer proximity to a metro train station, it is superior to the subject. Comparable 5 is superior to the subject as it provides scenic city views.

**SALES COMPARISON APPROACH**

In order to quantify the adjustments, I have presented the following adjustment grid below.

<b>Sale Number</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Sale Price \$/SF-Land Area</b>	<b>\$4.78</b>	<b>\$12.94</b>	<b>\$7.60</b>	<b>\$6.75</b>	<b>\$9.91</b>	<b>\$5.13</b>
Financing	0	0	0	0	0	0
Conditions of Sale	0	0	0	0	0	0
Market Conditions	0	0	0	0	0	0
Property Rights Conveyed	0	0	0	0	0	0
<b>Adjusted Sale Price</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Location	0	0	0	0	0	0
Access/Visibility	0	0	0	-10%	-10%	-5%
Physical Characteristics/Shape	0	-15%	-15%	0	-15%	-15%
Zoning	+5%	+5%	+5%	+5%	0	+5%
Entitlements	0	-40%	0	0	0	0
Economic Characteristics	0	0	0	0	0	0
Size	0	0	0	0	0	0
<b>Total Adjustment</b>	<b>+5%</b>	<b>-50%</b>	<b>-10%</b>	<b>-5%</b>	<b>-20%</b>	<b>-15%</b>
<b>Adjusted Indication</b>	<b>\$5.02</b>	<b>\$6.47</b>	<b>\$6.84</b>	<b>\$6.41</b>	<b>\$7.43</b>	<b>\$4.36</b>

After adjustment, the comparable land sales suggest a range in unit pricing from \$4.36 and \$7.43 per square foot, with an average of \$6.09 per square foot. Comparable 4 is an extremely irregular shaped parcel that was purchased as part of an assemblage. The subject is most similar to comparable 4. Considering all of the data and analysis, a value conclusion of **\$6.25** per square foot is applied to the subject property.

**Conclusion:**

Based on the data and analysis, I reconcile market value for the subject site, in "as is" condition, at \$6.25 per square foot, or \$300,000. The calculation is summarized as follows:

**Market Value Estimate "As Is"**

<b>Square Footage Land</b>	<b>Market Value/SF</b>	<b>Value Indication</b>
47,476 SF	\$6.25/SF	\$296,725
<b>Rounded</b>		<b>\$300,000</b>

Based on the Sales Comparison Approach, market value for the subject site in "as is" condition, as of February 22, 2014, is estimated at:

**THREE HUNDRED THOUSAND DOLLARS**  
**\$300,000**

## FINAL RECONCILIATION

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The appraiser has considered the traditional approaches in the estimation of the subject property.

### **INDICATED VALUE BY APPROACHES:**

Income Capitalization Approach:	Not Applicable
Sales Comparison Approach:	\$300,000
Cost Approach:	Not Applicable
<b>Market Value Conclusion:</b>	<b>\$300,000</b>

In the valuation of the subject property "as is", the most applicable valuation technique is the Sales Comparison Approach. The Cost Approach and Income Capitalization Approach are not applicable in the land valuation analysis and were not considered.

Based upon our findings, market value of the fee simple estate in the subject property, in its "as is" condition, as of 22<sup>nd</sup> day of February 2014, is estimated at:

**THREE HUNDRED THOUSAND DOLLARS**  
**\$300,000**

**SECTION IV - ADDENDA**

**ENGAGEMENT LETTER**

**QUALIFICATIONS OF THE APPRAISER**

## **QUALIFICATIONS OF E. MICHAEL JORDAN**

E. Michael Jordan is the Principal of the real estate appraisal and consultation firm Accurate Appraisals located at 551 Park Road N.W., Washington, D.C. 20010.

### **SERVICES PROVIDED**

Accurate Appraisals provides real estate valuation and consultation services for all commercial and residential property types located within the Washington DC-Baltimore Metropolitan area. We prepare narrative and Fannie Mae form reports that are clear concise and coherent. Our due diligence and quality control program ensures accurate, timely and consistent appraisal services.

### **STATE CERTIFICATIONS AND AFFILIATIONS**

District of Columbia, General Appraiser #GA10943  
Maryland, Certified General Appraiser #11349  
Virginia, Certified General Appraiser #4001 015540  
Candidate for Designation Appraisal Institute  
FHA Approved Appraiser

### **EDUCATION:**

Bachelor of Arts Degree in Business Administration-Accounting May 1994  
Morehouse College Atlanta, Georgia

### **APPRAISAL EDUCATION:**

Appraisal Principles - Appraisal Institute Appraisal  
Procedures - Appraisal Institute  
Basic Income Capitalization - Appraisal Institute  
General Applications - Appraisal Institute  
Apartment Appraisal - Appraisal Institute  
General Appraiser Report Writing and Case Studies - Appraisal Institute  
General Market Analysis Highest and Best Use - Appraisal Institute  
Real Estate Finance Statistics and Valuation Modeling - Appraisal Institute  
Evaluating Commercial Construction - Appraisal Institute  
Business Practices and Ethics - Appraisal Institute  
FHA and the Appraisal Process - Appraisal Institute  
Standards of Professional Practice - Appraisal Institute  
Argus Training - Discounted Cash Flow Consulting & Services

### **EXPERIENCE:**

Accurate Appraisals Washington DC Real Estate Appraiser  
(July 2006-Present)

**EXPERIENCE (continued):**

Joseph J. Blake & Associates, Inc. Washington DC  
Commercial Real Estate Appraiser (September 2000– June 2006)

Lerner Corporation, Maryland  
Property Manager and Lease Administrator (August 1997- August 2000)

Turner Construction, Virginia  
Cost Engineer (February 1994- July 1997)

**CLIENT LIST:**

M&T Bank  
BB&T Bank  
KEB NY Financial Corporation  
Answer Title  
District of Columbia  
Interbay Funding  
Streetlinks Lender Solutions

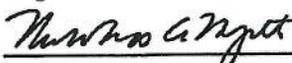
### Copy of Appraisers Certification



**GOVERNMENT OF THE DISTRICT OF COLUMBIA** ★ ★ ★  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
Occupational and Professional Licensing Administration

**Appraiser Board**  
*certifies that*  
**EDWARD M JORDAN**  
ACCURATE APPRAISALS  
551 PARK ROAD  
WASHINGTON DC 20010

*has met all the requirements prescribed  
by law and regulations and is hereby licensed as a(n):*  
Certified General Appraiser  
License Number: GA10943  
Issue Date: 01-30-2006  
Expiration Date: 02-29-2016

  
\_\_\_\_\_  
Director, Department of Consumer and Regulatory Affairs



Government of the District of Columbia  
Office of the Chief Financial Officer



Jeff DeWitt  
Chief Financial Officer

**MEMORANDUM**

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

**FROM:** Jeff DeWitt  
Chief Financial Officer 

**DATE:** January 13, 2014

**SUBJECT:** Fiscal Impact Statement – “Barnaby Road Parcel 238/40 Disposition Approval Resolution of 2014”

**REFERENCE:** Draft resolution provided to the Office of Revenue Analysis on January 9, 2014

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**Conclusion**

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the resolution.

Under the proposed terms of the disposition, Way of the World Community Development Corporation (“Purchaser”)<sup>1</sup> will pay \$300,000 to purchase District-owned property located in the 4200 block of Barnaby Road, S.E., known for tax and assessment purposes as Parcel 238, Lot 40 (“Property”). The proceeds will be deposited in the District’s general fund. The disposition of this property will reduce District real property assets.<sup>2</sup> However, this reduction will have no fiscal impact on the District’s budget and financial plan because assets are not included in the budget and financial plan.

**Background**

The resolution authorizes the sale of the Property, which is unimproved space being declared surplus under a separate resolution, to the Purchaser. The Purchaser owns an adjacent lot and intends to construct a residential development of single family homes.

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<sup>1</sup> Way of the World Community Development Corporation is a subsidiary of Temple of Praise, a faith-based not-for-profit organization located at 700 Southern Avenue, S.E.

<sup>2</sup> The FY 2014 Proposed Tax Assessed Value of the property, according to OTR’s Real Property Tax Database, is \$675,110 (accessed January 9, 2014. <https://www.taxpayerservicecenter.com>).

The Honorable Phil Mendelson

FIS: "Barnaby Road Parcel 238/40 Disposition Approval Resolution of 2014" Draft resolution shared with the Office of Revenue Analysis on January 9, 2014

The proposed agreement requires the Purchaser to implement an affordable housing plan for the Property, and contract at least 35 percent of the dollar volume of the project with Certified Business Enterprises (CBEs). If possible, CBEs that are small, local or disadvantaged should make up 20 percent equity and development participation in the development of the Property. The Purchaser must also enter into a First Source Agreement with the District, establishing requirements regarding jobs to be created by the development of the Property.

### **Financial Plan Impact**

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the resolution.

Under the proposed terms of the disposition, Purchaser will pay \$300,000 into the District general fund to purchase the Property. The disposition of this property will reduce District real property assets. However, this reduction will have no fiscal impact on the District's budget and financial plan because assets are not included in the budget and financial plan.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Attorney General

Legal Counsel Division



**MEMORANDUM**

**TO:** Lolita S. Alston  
Director  
Office of Legislative Support

**FROM:** Janet M. Robins  
Deputy Attorney General  
Legal Counsel Division

**DATE:** January 13, 2014

**SUBJECT:** Legal Sufficiency Review of Executive Draft Resolutions, the “Barnaby Road Parcel 238/40 Surplus Declaration Resolution of 2014” and the “Barnaby Road Parcel 238/40 Disposition Approval Resolution of 2014”  
(AE-14-012)

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**This is to Certify that** this Office has reviewed the above-referenced executive draft resolutions and found them to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5524.

A handwritten signature in blue ink that reads "Janet M. Robins". The signature is written in a cursive style and is positioned above a horizontal line.

Janet M. Robins