



## Takoma Park City Council Meeting – December 7, 2016 Agenda Items 1 and 2

### **Work Session and Voting Session**

Discussion of Takoma Junction Redevelopment Project and Possible Vote Related to the Development Agreement (Section 4 – Co-op)

### **Recommended Council Action**

Review the project status and vote on resolution

### **Context with Key Issues**

The [Development Agreement](#) (Agreement) executed by the City and Neighborhood Development Company (NDC), effective August 1, 2016, establishes a framework for the Takoma Junction redevelopment project, identifying the actions that will be required to proceed with the planned development, and reaffirming Council's expectations regarding the nature of the development. Included in the listing of actions that must be taken is a provision requiring the submission of a Letter of Intent (LOI), executed by NDC and the Takoma Park Silver Spring Co-op (Co-op), within 120 days of the effective date of the Agreement.

The LOI is a non-binding agreement that, once finalized, would establish the terms and conditions of a future lease arrangement between NDC and the Co-op. The deadline for the submission of the LOI is Tuesday, November 29, 2016.

In the event the required LOI has not been signed by that date, the Agreement stipulates that the Council has the right, at its sole discretion, to exercise one of three options:

- a) provide NDC with an additional 30 days to negotiate the required LOI;
- b) require NDC to begin seeking another anchor tenant for the Project and provide reasonable accommodation to the Co-op for the continued operation of its business in its existing location, or
- c) terminate the Agreement and pay NDC an amount up to \$75,000 for reasonable, out of pocket costs that the firm has incurred. In the event this option is taken, NDC is required to transfer its work products (traffic studies, etc.) to the City.

NDC representatives will be present to provide an overview of the progress to date on the execution of the LOI and to participate in the Council's Work Session discussion. A representative from the Co-op has asked for extra time to speak during the public comment period.

Weekly status updates of the negotiations that have transpired between NDC and the Co-op, required by the Development Agreement, are available on the City website.

**Council Priority**

Advance Economic Development Efforts: Takoma Junction Development

**Environmental Impact of Action**

The project is to be designed and constructed in a manner that satisfies the requirements for LEED Gold or higher certification from the U.S. Green Building Council or an equivalent certification. Goals for the development, as specified in the Request for Proposals, include improving the aesthetic appeal of the commercial district and being contextually sensitive and environmentally sustainable.

**Fiscal Impact of Action**

The City would be required to pay up to \$75,000 for out of pocket costs incurred by NDC in the event the Council elects to discontinue its relationship with the firm and terminate the Agreement. Should the project not proceed, the City would also forego ground lease and personal and real property tax revenue.

**Attachments and Links**

- [Takoma Junction Redevelopment Project Page](#)
- Resolution Exercising Council's Option as Set Forth in the Takoma Junction Development Agreement, Section 4

Introduced by: Councilmember

**CITY OF TAKOMA PARK, MARYLAND**

**RESOLUTION 2016 –**

**RESOLUTION EXERCISING COUNCIL’S OPTION AS SET FORTH IN THE TAKOMA JUNCTION DEVELOPMENT AGREEMENT, SECTION 4**

**WHEREAS**, the City purchased the parking lot at the Takoma Junction in 1995 for the purposes of stabilizing this small but important historic neighborhood commercial district and facilitating the revitalization of the area; and

**WHEREAS**, in 2014 a Request for Proposals for redevelopment of the Takoma Junction property was issued with the aims of acting as a stimulus to the commercial district and locally-owned, independent businesses; improving the aesthetic appeal of the district; and being contextually sensitive and environmentally sustainable; and

**WHEREAS**, on April 13, 2015, Council Resolution 2015-19 authorized negotiating an agreement with Neighborhood Development Company, LLC (NDC) for redevelopment of the City-owned lot; and

**WHEREAS**, the City and NDC executed a Development Agreement on August 1, 2016, specifying the priorities of the Council and establishing the process guiding the redevelopment of the City-owned lot; and

**WHEREAS**, the Development Agreement details the prospect that NDC and the Takoma Park Silver Spring Co-op will sign a Letter of Intent regarding the Co-op’s participation in the project with a deadline of 120 days, which is November 29, 2016; and

**WHEREAS**, the Development Agreement states that if at that point the Developer (NDC) has not submitted to the City an LOI executed by the Developer and the Co-op for a lease in accordance with the provisions of this Section 4, then the City in its sole discretion may:

- (a) provide Developer with additional time not to exceed thirty (30) days with which to negotiate the Co-op LOI, or
- (b) require the Developer to commence seeking a letter of intent with another anchor tenant for the Project other than the Co-op and require Developer to provide reasonable accommodation to the Co-op’s operation of its business in the Co-op Existing Premises, or
- (c) terminate this Agreement upon ten (10) business days’ notice to Developer, and Developer will transfer and/or assign the Transferables to the City, and the City will pay Developer an amount up to Seventy-Five Thousand Dollars (\$75,000.00) for reasonable, out of pocket costs that Developer has incurred as of the date of such termination.

**WHEREAS**, NDC has provided the City with weekly updates about the negotiations with the Co-op on

the LOI and NDC has indicated that they did not reach a signed LOI by the November 29, 2016 deadline.

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF TAKOMA PARK, MARYLAND,** in order to advance the City's goals of facilitating the revitalization of the Takoma Junction, authorizes Option \_\_ for the Takoma Junction Redevelopment.

**BE IT FURTHER RESOLVED THAT** the City Manager is hereby authorized to execute documents as the City's "Legal Entity Official (LEO)" and take any action necessary to carry out the intent of this resolution.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2016

Attest:

\_\_\_\_\_  
Jessie Carpenter, CMC  
City Clerk

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