

October 15, 2018

On Thursday, October 11th, representatives from 1100 Eastern LLC (“Eastern LLC”), an affiliate of Neighborhood Development Company, met with the tenants of 1100 Eastern Avenue, NE. At that meeting we apologized to each tenant for the disrespectful manner in which they had been treated and acknowledged that our actions were badly communicated and poorly planned. We understand the anger, frustration and mistrust that our actions have created.

Eastern LLC is making no economic gain from closing down the property now - in fact the actions we were forced to take will cost us significantly. We continue to firmly believe that the actions we took were legal, proper and imperative in order to protect the health and safety of tenants, customers, and particularly children. A clear and present emergency situation exists at the property as a result of toxic chemicals permeating the soil and air inside the building.

We cannot go back in time to re-do our actions – we can only do the best we can going forward to make the best of this situation for all concerned. So at that meeting, we made the following commitment to the tenants:

- We would provide them immediate, temporary access to retrieve any belongings, inventory or equipment they wanted;
- We would provide them with relocation assistance (both monetary and technical) to find new locations to operate;
- We would compensate them financially for lost profits during the time of their relocation;
- We would welcome them back as tenants (or as owners, if they wished), with discounted financial terms in the new project once it was re-developed.

At the conclusion of our meeting the tenants’ attorney, Johnny Barnes, committed to considering our offer and promised to get back to us by 10:00 AM the next morning with a proposal from the tenants. That did not occur. Instead, to our dismay, we were informed by email this morning that he was filing a lawsuit. While it is certainly the tenants’ right to do so, this action – particularly Mr. Barnes’ attempt to allow them to continue to operate in the building-- is counterproductive and places his own clients in danger.

The building is contaminated – not by our actions, but by the actions of those who owned or leased the property long before us. At the meeting we gave the tenants and Mr. Barnes a complete copy of the environmental reports we submitted to the District Department of the Environment (DDOE). We understand the difficulty the tenants are having in taking our word on this, so we welcome them reaching out directly to DDOE, who we are confident will substantiate our claims. And if the tenants still have doubts we are happy to provide access to the site by experts of their choosing so they can do their own testing and reach their own conclusions.

We believe the claims in the lawsuit are baseless, and are prepared to defend ourselves if necessary. However, going to court – or other grandstanding actions - will only delay what's best for the tenants and the Deanwood community – speedy assistance and fair compensation to the tenants while moving ahead as quickly as possible to remediate the environmental hazards on the site.

We would like to address the broader context in which some in the media have sought to place this unfortunate situation. This is not gentrification – this is the exact opposite. We're not building some swanky condo for yuppies – we are replacing the current one story commercial structure with a brand new, six story building that will provide 63 units of housing that will be home to low and moderate income residents, including grandparents and extended families, provide permanent supportive housing to formerly homeless families, and, on the ground floor, provide neighborhood-serving retail to the Deanwood community – including a right to return for the existing commercial tenants if they wish. And as part of the construction process we will fully remediate the severe environmental contamination that has existed in the neighborhood for decades.

Again, we apologize to the tenants – we made a mistake, and we're trying to do the best we can to rectify it. We're ready to meet with them at any time to continue our dialogue.