

Work Session

Agenda Item #	3
Meeting Date	March 16, 2016
Prepared By	Sara Anne Daines HCD Director
Approved By	Suzanne R. Ludlow City Manager

Discussion Item	Discussion with Neighborhood Development Company, LLC (NDC) regarding the Takoma Junction Redevelopment Project
Background	<p>On April 13, 2015 the Council adopted Resolution #2015-19 authorizing the City Manager to initiate negotiations with NDC for the redevelopment of the City lot at the Takoma Junction. To facilitate these negotiations and assist in the preparation of a Development Agreement, the City entered into a contract with the law firm of Bregman, Berbert, Schwartz & Gilday, LLC in July.</p> <p>Since that time, a draft Development Agreement was prepared establishing a framework for the overall project, identifying the actions that will be required to proceed with the planned development, and reaffirming the Council’s expectations regarding the nature of the development. In this context, a development agreement is an agreement between a municipality and a developer that outlines expectations for how a project will be developed and what the project will ultimately entail. A development agreement provides the developer a level of certainty about what it can build and what mitigation measures will be required by the City, if agreement is reached. It also provides the City with an opportunity to look at the longer-term horizon and make sure the development fits in with planning efforts and local policies.</p> <p>The specific items addressed in the document include, though are not limited to, Council’s continued interest having the Takoma Park Silver Spring Coop continue in its role as the primary anchor in the Takoma Junction; the importance of providing commercial space for local and regional businesses that are economically viable and serve the needs of the community; the incorporation, to the extent feasible, of residential uses within the proposed development; and the Council’s desire to provide accessible public gathering space within the development.</p> <p>The City received comments from NDC on the draft agreement in December 2015, at which point our legal representatives began discussing various negotiation points with the developer. The Council met in closed session twice, on February 10 and March 6, to be briefed by their development attorneys and to weigh in on certain issues requiring clarification and additional guidance for the purpose of furthering negotiations.</p> <p>NDC has been invited tonight to provide the Council and the community with an update on the status of the pre-development work they have undertaken to advance the project and to provide a more detailed overview of their plans for finalizing the design of the planned project and information on how the community will be engaged in that process. (An earlier update, available for viewing online, was</p>

	<p>provided by the firm on September 28, 2015.)Attending the work session on behalf of NDC will be Mr. Adrian Washington, CEO and Founder, Mr. Juan Powell, COO and Principal, Mr. Diarra McKinney, Director Pre Development, and Mr. Michael Giulioni, Associate.</p> <p>Next Steps: We anticipate further negotiations and refinement of the Development Agreement which will be based on guidance provided by the Council in their closed sessions and at tonight’s meeting. Once finalized, the document will be presented to the Council for a formal vote. We anticipate that a vote will occur in May, barring any unforeseen impediments in the negotiation process.</p>
Policy	<p>“Advance Economic Development Efforts: Attract new businesses and prepare for economic development in the City and region.”</p> <p style="text-align: right;">2016 Council Priorities, Adopted by Resolution 2016-04</p>
Fiscal Impact	TBD
Attachments	<ul style="list-style-type: none"> • Takoma Junction Pre-Development Work Status Overview (NDC 2016-02-29) • Resolution #2015-19 Authorizing the Initiation of Negotiations with Neighborhood Development Company, LLC for the Redevelopment of the City Lot at the Takoma Junction (April 13, 2015) • Neighborhood Development Company, LLC Presentation, City Council on September 28, 2015 • Additional information on the Takoma Junction Redevelopment can be accessed online from the Project Directory page
Recommendation	To listen to the presentation
Special Consideration	

Takoma Junction Pre-Development Work Status Overview

2016-02-29

ID	Consultant	Responsibilities	Work Complete to Date	Cost Proposal	Status
1.	Geotechnical Engineer	<ul style="list-style-type: none"> – Investigate soil conditions and recommend foundation strategies 	<ul style="list-style-type: none"> – Review of existing report – Preliminary on-site investigations – Completion of liability release with the City of Takoma Park – Final scope defined and cost proposal secured 	\$7,155	Awaiting resolution of agreement with the City of Takoma Park
2.	Architect	<ul style="list-style-type: none"> – Prepare preliminary concepts for public design consultation – Complete formal architectural design development phases 	<ul style="list-style-type: none"> – Development of preliminary concept as a part of RFP – Additional site planning analysis to inform initial phases of pre-development and stakeholder coordination 	\$320,000	Awaiting resolution of agreement with the City of Takoma Park
3.	Title Attorney	<ul style="list-style-type: none"> – Title Research on property and surrounding properties 	<ul style="list-style-type: none"> – Research Complete 	\$6,000	Complete
4.	Civil Engineer	<ul style="list-style-type: none"> – WSSC Fire Flow Test – Water and Sewer Hydraulic Planning Analysis (Letter of Findings) – Boundary and Topographic Survey – Civil Engineering Conceptual Planning Support – Prior Dedication Exhibit Verification with Montgomery County – Civil Site Plan/Preliminary Plan Submission and Review by Development Review Committee – Record Plat Preparation and Processing – Engineering Phase (Engineering construction documents) 	<ul style="list-style-type: none"> – Preliminary Water and Sewer Hydraulic Planning Analysis – Preliminary Boundary and Topographic Survey – Preliminary Dedication Exhibit Verification – Final scope defined and cost proposal secured 	\$128,000	Awaiting resolution of agreement with the City of Takoma Park

5.	Traffic Consultant	<ul style="list-style-type: none"> - Traffic Operations and Circulation Study - Vehicle Queue and LOS Simulation - Baseline Research - Parking Demand - Traffic Statement - Traffic Impact Study - Traffic Management Plan - Parking Management Plan (post-construction) - Parking Management Plan (during construction) 	<ul style="list-style-type: none"> - Final scope defined and cost proposal secured 	\$85,700	Turning study to be complete shortly remaining tasks are awaiting resolution of agreement with the City of Takoma Park
6.	Land Use Attorney	<ul style="list-style-type: none"> - Final vetting of project schedule and procedure - Preliminary zoning review of refined proposal(s) 	<ul style="list-style-type: none"> - Retained 	\$30,000 (Budget)	Awaiting resolution of agreement with the City of Takoma Park
7.	Market Study Update	<ul style="list-style-type: none"> - Assess viability of alternate commercial use strategies based on previously completed analysis and objectives of the City of Takoma Park - Establish additional awareness of the local market area 	<ul style="list-style-type: none"> - Preliminary scope and cost proposal secured 	\$10,000	Awaiting input of City of Takoma Park Council, to ensure scope consistency with project objectives.
8.	Environmental Consultant	<ul style="list-style-type: none"> - Review of existing Phase I and Phase II reports - Development of strategy for environmental remediation - Management, oversight and documentation of environmental remediation 	<ul style="list-style-type: none"> - Review of existing Phase I and Phase II reports - Development of strategy for environmental remediation - Cost proposal for completion of remediation secured 	\$7,050	Awaiting resolution of agreement with the City of Takoma Park
9.	Public Consultation Consultant	<ul style="list-style-type: none"> - Assist NDC with design and execution of public consultation process 	<ul style="list-style-type: none"> - Preliminary discussions with potential consultation candidates has occurred 	\$25,000	Awaiting input of City of Takoma Park Council, to ensure scope consistency with project objectives.

Introduced by: Councilmember Stewart

CITY OF TAKOMA PARK, MARYLAND

RESOLUTION 2015-19

**RESOLUTION AUTHORIZING THE INITIATION OF NEGOTIATIONS
WITH NEIGHBORHOOD DEVELOPMENT COMPANY, LLC FOR THE REDEVELOPMENT
OF THE CITY LOT AT THE TAKOMA JUNCTION**

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, the Takoma Junction Task Force, a Council-appointed committee, presented a final report in February 2012 with the following mission statement:

Takoma Junction, predominantly located in the Takoma Park Historic District, is a small commercial district in the heart of a residential community, with historically significant resources and a vital fire station that should:

- *encourage motorists, pedestrians, and bicyclists to slow down, park, relax, and shop while functioning adequately as a link within the local road and transit networks,*
- *encourage sustainable commercial opportunities and provide convenience to local consumers,*
- *serve as a cultural meeting-point for old and young in a diverse community,*
- *blend harmoniously with adjacent residential neighborhoods, and*
- *all in a forward-thinking, attractive and environmentally sensitive way.*

WHEREAS, the City Council, in furtherance of the redevelopment of the lot, authorized the release of a Request for Proposals in January 2014 and received seven full proposals in response in May 2014; and

WHEREAS, four development teams were selected as finalists by the Council in September 2014 for further consideration, each having been found to be in compliance with the evaluation criteria set forth in the Request for Proposals; and

WHEREAS, the Council, over the course of six months, has considered the four redevelopment proposals, scheduled public presentations of the developers' proposals, sponsored a community open house, held listening sessions for the community, solicited additional public comment expressed through oral, written and web formats, and conducted eight work sessions allowing for the further review of the proposals; and

WHEREAS, the Council, having carefully evaluated the expertise, financial capacity, and overall vision and concept of each of the development teams and having weighed the public input gathered during this evaluation process, has determined that Neighborhood Development Company, LLC is a capable developer for the Takoma Junction lot and will be a suitable partner with the City; and

WHEREAS, Neighborhood Development Company, LLC has expressed a willingness to work cooperatively with the Council and the community to further refine its conceptual plan for the redevelopment of the site and the finalization of various elements of its proposal including:

- a) amount of retail, community, open space and residential space included in the project;
- b) size and massing of proposed structures;
- c) engineering and urban design features that aspire to high environmental and sustainability standards;
- d) incorporation of high-end interior and exterior building finishes;
- e) size and configuration of commercial parking facilities and vehicle access;
- f) landscaping that will enhance the pedestrian experience;
- g) preservation and maintenance of the wooded area;
- h) construction of a building structure that aspires to elegance, beauty, and place-setting that will be admired by professionals and residents;
- i) establishment of a mutually acceptable working relationship with the TPSS Co-op that assures its current and future operational and expansion needs;
- j) enhancement of the economic vitality of the Takoma Junction area;
- k) an increase in the City's commercial tax revenue base;
- l) a fiscally prudent solution for the City of Takoma Park;
- m) traffic study; and
- n) community meetings and design charrettes; and

WHEREAS, the City Council recognizes the important role that the Takoma Park Silver Spring Co-op will play as the anchor tenant in the location and NDC has indicated it will work to assure the Co-op's continuity of operations during construction; and

WHEREAS, the Council seeks the following:

- a) early resolution between NDC and the Co-op regarding the Co-op's long-term role as an anchor tenant in an expanded structure at the Junction;
- b) continued inclusion of public parking on the site;
- c) project design that minimizes detrimental impacts on neighboring properties on Columbia and Sycamore Avenues;
- d) continued guidance of NDC's design by the priorities identified in the Takoma Junction Task Force report;
- e) design that optimizes the provision of retail services on the first floor of the building; and
- f) provision of public or community spaces that result in enhanced interactions among residents and visitors.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF TAKOMA PARK, MARYLAND authorizes the City Manager to initiate negotiations with the Neighborhood Development Company, LLC on an agreement for the redevelopment of the City-owned lot and disposition of the property.

Adopted this 13th day of April, 2015

Attest:

Jessie Carpenter, CMC
City Clerk