

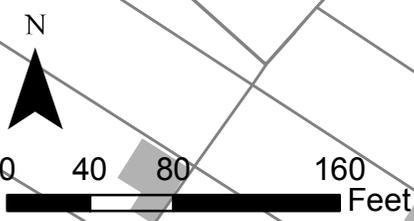
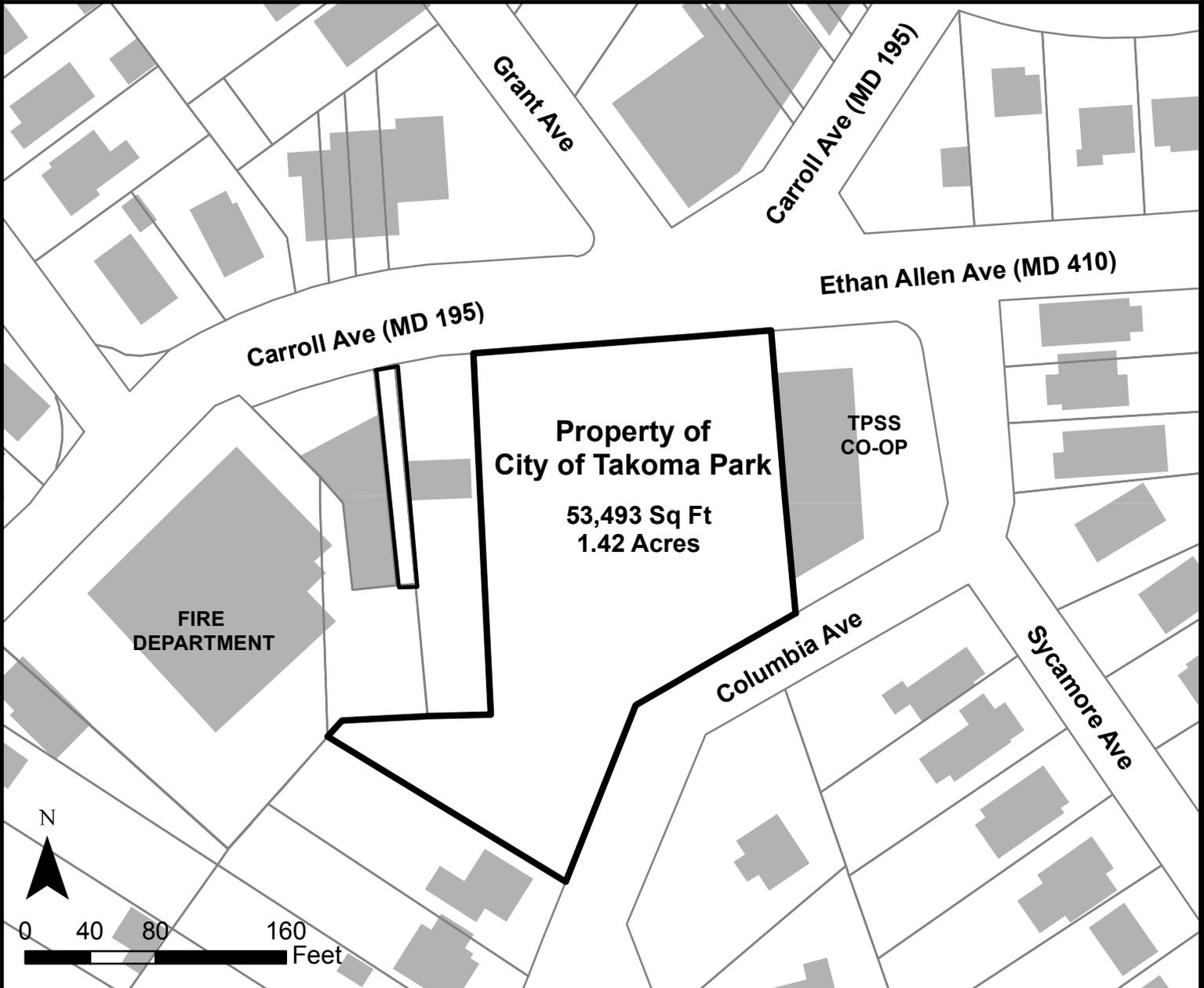
Work Session

Agenda Item #	2
Meeting Date	January 6, 2014
Prepared By	Rosalind Grigsby, Community Development Coordinator
Approved By	Brian T. Kenner City Manager

Discussion Item	City-Owned Lot in Takoma Junction
Background	<p>The Junction has been the focus of community interest and efforts to improve the economic viability of the businesses, traffic, livability, and pedestrian use of this area. Specific attention has been given to providing amenities to the neighboring residential areas; improving pedestrian, bicycle and auto access; addressing commercial parking concerns; preserving existing green and open space; and increasing the vitality of this commercial area.</p> <p>Staff has identified four options for the site: the City maintains the current site without change; the City identifies a need for government use and builds; the City negotiates exclusively with a selected interested party; the City issues a solicitation for proposals.</p> <p>Having considered these options, staff has recommended the solicitation of proposals from experienced developers for the redevelopment of the property based upon the desire for the City to have an open process for the lot and the need to support this important business corridor. Proposed uses must be in compliance with the Montgomery County Zoning Ordinance and all other applicable codes.</p> <p>The City encourages proposals that would:</p> <ul style="list-style-type: none"> • act as a stimulus to the commercial district and locally-owned, independent businesses; • improve the aesthetic appeal of the district; and • be contextually sensitive and environmentally sustainable. <p>Proposals would be evaluated on the overall vision and concept, the ability to implement, and the financing structure. Selected developers would be invited to present their proposals to the community. Council would review the proposals.</p>
Policy	The City of Takoma Park Municipal Charter provides that the legislative powers of the Council shall include the power “to convey any real or leasehold property when no longer needed for the public use.”
Fiscal Impact	The release of a request for proposals will have no fiscal impact on the City. The City may at any time elect not to proceed with the process.
Attachments	<ul style="list-style-type: none"> • Site Map • Takoma Junction Solicitation Analysis Power Point
Recommendation	To discuss options for disposal and provide direction for proposed solicitation.
Special Consideration	

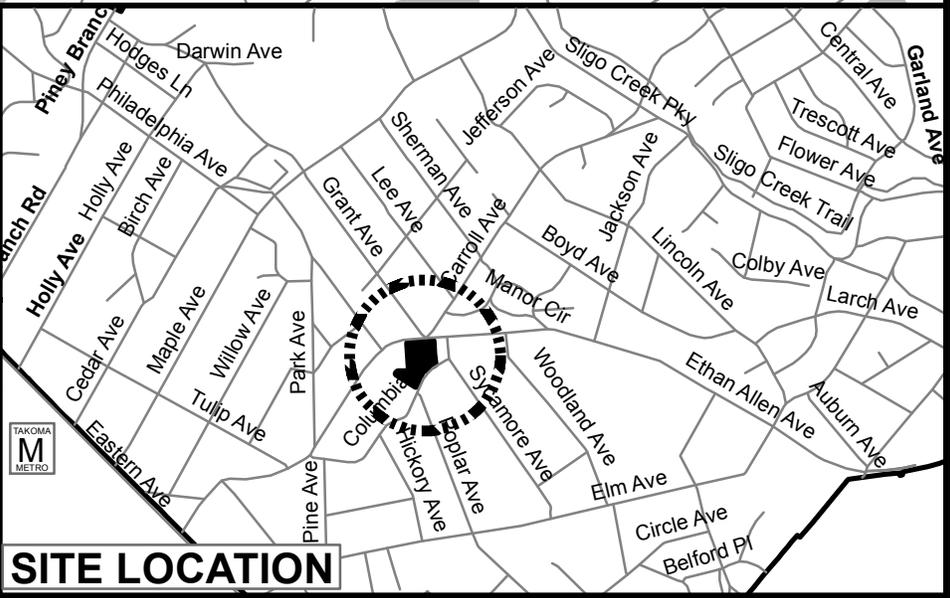
City Lot - Takoma Junction

Takoma Park, MD



Legend

-  City Property
-  Existing building
-  Property Line



Date: 12/5/2013

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SITE LOCATION



THE CITY OF
TAKOMA PARK
MONTGOMERY COUNTY, MARYLAND

TAKOMA JUNCTION CITY OWNED LOT

January 2014

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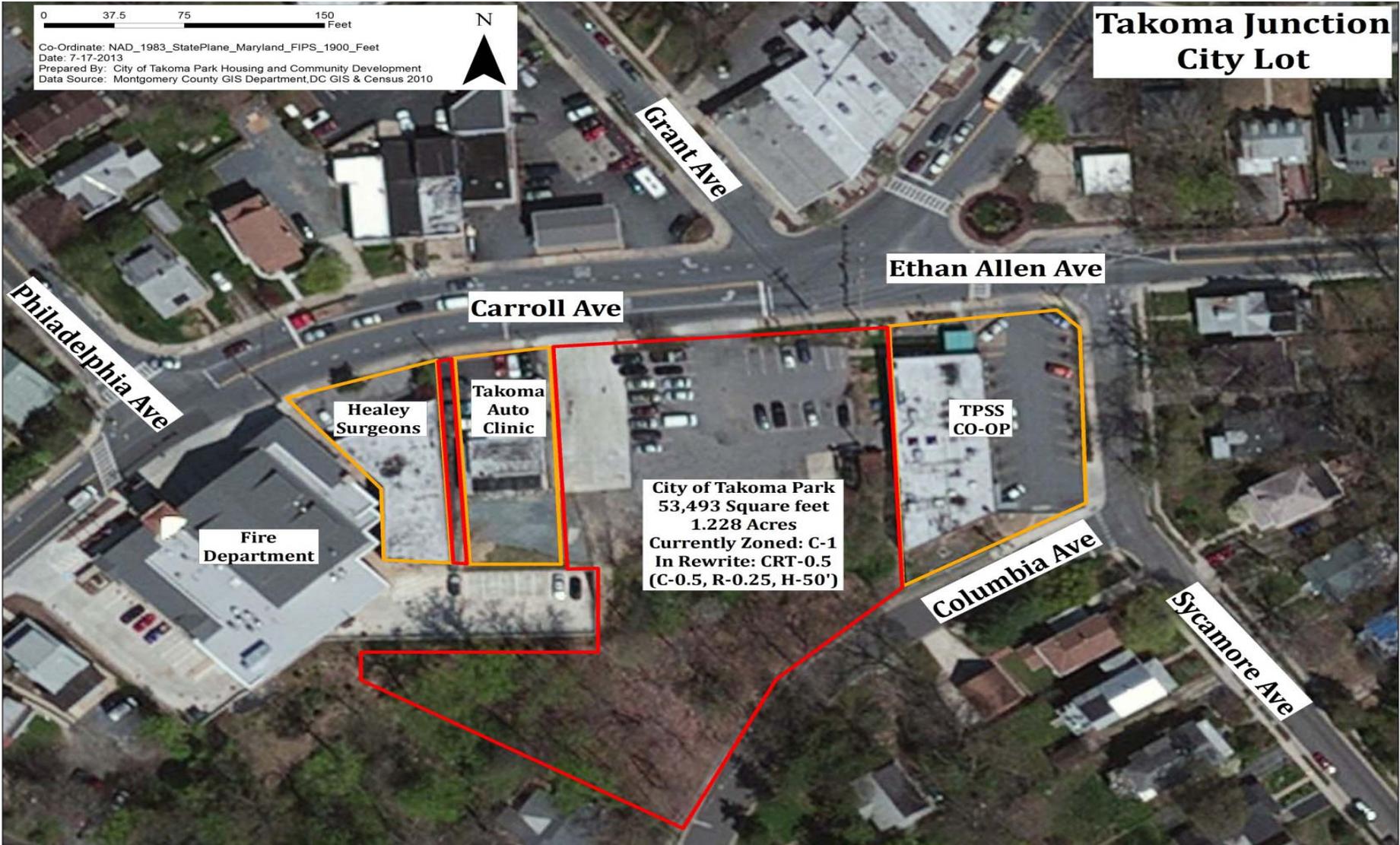
1.Current Status
2.Options Analysis
3.Solicitation Framework
4.Next Steps

Current Status



- **Environmental Analysis :**
 - Phase II ESA Report completed in June 2013, did not find any serious issues with contaminants at the site.
- **Legal:**
 - City Attorney has been consulted on disposition authority and negotiation options for the city.
- **Transportation Improvements near Site:**
 - SHA is working on installation of a crosswalk at Grant and Carroll Avenues, in their workplan for FY 2015.
- **Appraisal:**
 - Commercial appraisal by Philip R. Lamb & Co. completed June 2013.
- **Unsolicited Offers:**
 - Proposal from Co-op submitted to City Council in July 2012. No action taken by Council.
 - Recent inquiries from businesses interested in the site.
- **Previous Inputs:**
 - Takoma Junction Task Force, which began in Fall 2010, reported to the City Council in February 2012. A key recommendation was to develop a document to be *“distributed to all parties interested in approaching the City with a view toward utilizing or purchasing this parcel”*.

Current Status



Current Status



- **Number of New Businesses Opened in Last 2 Years:**

- Republic (6939 Laurel Avenue)
- Solar Nails and Spa (7005 Carroll Avenue)
- The Nature Lab (7003 Carroll Avenue)
- La Mano (304 Carroll Street, NW)
- Dolci Gelati (7000 Carroll Avenue)
- The Lab DC (6925 Willow Street, NW)
- Takoma Wellness Center (6925 Blair Road, NW)
- Richardson School of Music (7318 Carroll Avenue)
- Palm Reader (7042 Carroll Avenue)
- Takoma Bistro (6923 Laurel Avenue)
- Horace and Dickies (6912 4th Street, NW)

- **Number of New Businesses Slated to Open in Next 2 Years:**

- Busboys and Poets/Food Market (231 Carroll Street, NW)
- Everlasting Life Vegan Bakery (6900 block 4th Street, NW)
- International School (former Washington Theological Union space on Laurel Ave)
- Preschool (7212 Carroll Avenue)
- Businesses in Jemal Building (6925 Carroll Street, NW)

Options Analysis



OPTIONS

Option #1	Status Quo	Continue with current status for Takoma Junction as parking lot.
Option #2	Government Build	City determines property is needed for a government use or public purpose and builds asset on the property.
Option #3	Exclusive negotiations with interested parties	Negotiate exclusively, for a limited period of time, with a selected interested party to determine if an agreement can be reached.
Option #4	Solicitation of Offers by RFP	Solicit for expressions of interest/proposals from potential parties. City has no obligation to move forward with any concepts.

Option #1 – Status Quo



- **Description:**
 - Continue with current status for Takoma Junction as a parking lot. Co-op has land license with the City to use portion of the site for parking, storage, trash receptacles, loading dock for \$18,000/year.
- **Pros:**
 - Consistent with current use of the site.
 - Allows for interested parties to continue to submit unsolicited proposals.
- **Cons:**
 - No timeline or direction for future of the site.
 - Interested parties unsolicited proposals left in limbo.
- **Future Decision Points for This Option:**
 - N/A

Option #2 – Gov't Build



- **Description:**
 - City determines best use for the property is for a government use or public purpose and builds asset on the site.
- **Pros:**
 - City retains 100% control over design and construction elements of the project.
 - Timing of project is controlled by City.
 - Government construction project could serve as catalyst for future private interest (more demand and need for services).
- **Cons:**
 - Funds for construction would need to be identified.
 - City would need to determine what kind of public asset would be needed (i.e. recreation facility, library, park structure, meeting space, etc).
- **Future Decision Points for This Option:**
 - Identification of what needs to be built.
 - Identification of money to support construction.
 - Design for construction.

Option #3 – Exclusive



- **Description:**
 - Negotiate exclusively, for a limited period of time, with a selected interested party to determine if an agreement can be reached. Exclusive discussions could occur from 3 months to 1 year, culminating in a term sheet which would memorialize agreement.
- **Pros:**
 - Some parties have already indicated their interest in the site and see value.
 - City can legally negotiate exclusively with an interested party.
- **Cons:**
 - Impossible to know whether City has received highest & best community value without soliciting other interested parties.
- **Future Decision Points for This Option:**
 - Identification and selection of interested party.
 - Determination of framework issues for negotiation.
 - Exclusive negotiation period.

Option #4 – RFP



- **Description:**
 - Solicit for proposals to re-develop from potential parties. Proposals could be short-listed to a smaller competitive set and community input could be provided.
- **Pros:**
 - Most efficient method to determine full proposals for the site.
 - Gives community opportunity to weigh in on proposals after submitted.
 - Places all interested parties in competitive situation requiring them to “sharpen their pencil” for their proposals to City.
- **Cons:**
 - Costs for interested parties to respond are highest.
 - City gives up some control of site compared to Government Build option.
- **Future Decision Points for This Option:**
 - Advertising and marketing for RFP.
 - Review of RFP proposals.
 - Community input on proposals.
 - Best and final proposals.
 - Proposal selected.

Recommendation



City Wants Open Process To Assess Proposals

Should not be limited to only those entities who have indicated interest in the site.

Difficult to evaluate status quo & government build options without knowing what else is commercially possible on the lot.

City Wants To Support this Important Business Corridor

The anchor business, the TPSS Co-op, provides some but not a significant spill-over for other Junction businesses. Greater vitality and connectivity on the lot would help.

The current businesses at the Junction need more activity and customers to thrive in the face of increasing competition.

The commercial center of gravity is shifting more toward the Old Town/Takoma Metro Stop area, with new businesses that draw from a larger customer base. The Junction businesses currently do not have enough critical mass to attract the residents who will move into the new developments in the Old Town area.

Recommendation is for Option #4 - RFP

Solicitation Framework



Solicitation Framework Goals

Act as a catalyst and stimulus to the commercial district and locally-owned independent businesses.

Improve aesthetic appeal of the Junction commercial district.

Be complimentary to the historic context of the district and be environmentally sustainable.

What will we ask from interested parties?



Solicitation Requirements

Project concept plan (vision, neighborhood benefits, visual images)

Proposed financing plan (economic feasibility, sources/uses of funds, consideration for city land)

Qualifications and experience (experience of team, experience financing similar projects)

How will we evaluate information from interested parties?



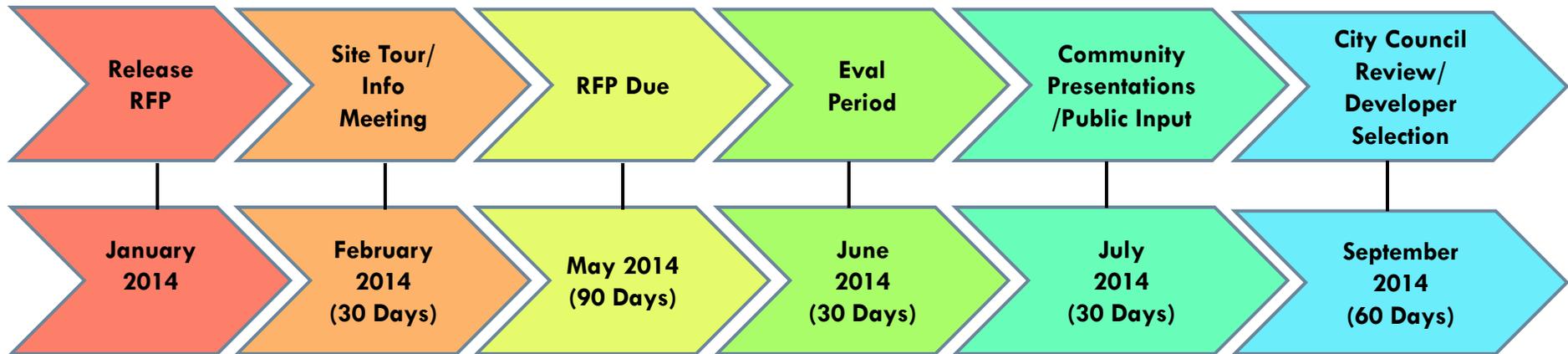
Solicitation Criteria

Overall vision and concept

Ability to implement

Financing structure

Next Steps



All dates are estimates and subject to change