

A RESOLUTION

25-529

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

June 11, 2024

To declare the existence of an emergency with respect to the need to amend the Walter Reed Development Omnibus Act of 2016 to provide that revenues received from the Developer as Initial Consideration Payments under the Walter Reed Land and Disposition Agreement shall, after October 1, 2023, be deposited into the Walter Reed Reinvestment Fund and issued as a grant to the Developer to pay or reimburse certain costs of job creation and economic development of or related to the Walter Reed Redevelopment Site.

RESOLVED, BY THE COUNCIL DISTRICT OF COLUMBIA, That this resolution may be cited as the “Walter Reed Development Assistance Emergency Declaration Resolution of 2024”.

Sec. 2. (a) In 2016, the District acquired the former stie of the Walter Reed Army Medical Center from the United States Army for a below-market price of \$20 million (paid over 2 years), pursuant to an Economic Development Conveyance Agreement (“EDC Agreement”).

(b) Simultaneously with the execution of the EDC Agreement, the District executed a Land Disposition Agreement (“LDA”) with TPWR Developer LLC, a joint venture of Hines WR LLC, UAD Walter Reed LLC (Urban Atlantic), and Triden Development Group, LLC, as master developer (defined as the “Developer” in D.C. Official Code § 2-1227.01(6)).

(c) Pursuant to the LDA, the District transferred the Walter Reed site to the Developer for \$25 million in Initial Consideration Payments, to be paid in installments over 7 years, and other financial and non-financial obligations.

(d) The original master development budget has experienced significant deviations driven by a combination of historic cost escalations, depressed vertical component land values following the Covid-19 pandemic and interest rate increases, and increased public infrastructure scope requirements.

(e) To fully fund the revised master development budget and continue timely construction of the remaining critical project infrastructure, the Developer is seeking financial assistance from the District and additional private financing from other sources.

(f) Extensive improvements to road and water/sewer infrastructure are necessary to construct Main Drive, NW, as an east-west route for pedestrians, bicyclists, and motorists, which will provide convenient access to Georgia Avenue for residents of the Abrams Hall affordable

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veteran, senior, and senior assisted living apartments that have been constructed on the development site, and for families traveling to the District of Columbia International School. Completion of Main Drive, NW, will also mitigate the development's traffic impacts on neighbors in Brightwood and Shephard Park.

(g) In addition, critical north-south connections to and through the development stie remain to be completed.

(h) Under the circumstances, the Council desires to direct the Initial Consideration Payments to the Walter Reed Reinvestment Fund established under section 6 of the Walter Reed Development Omnibus Act of 2016, effective May 18, 2016 (D.C. Law 21-119; D.C. Official Code § 2-1227.04), and to provide financial assistance to the Developer in the form of grants in the amount of the remaining 2 installments of Initial Consideration Payments.

Sec. 3. The Council determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Walter Reed Development Assistance Emergency Amendment Act of 2024 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.