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November 2, 2012

VIA FIRST CLASS MAIL AND E-MAIL TRANSMISSION

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Lloyd Jordan, Chairman
D.C. Board of Zoning Adjustment
441 4th Street, N.W. - Room 210 South
Washington, D.C. 20001

Re: BZA Application No. 18109 - The Strand Theater, 5127-5131 Nannie Helen Burroughs Avenue, N.E. (Square 5196, Lots 801 and 805)

Dear Mr. Jordan:

This firm acts on behalf of the District of Columbia and Washington Metropolitan Community Development Corporation (collectively, the "Applicant") in connection with the special exception and variance application approved by the D.C. Board of Zoning Adjustment (the "Board") in Application No. 18109 by Summary Order, issued on October 14, 2010. By the terms of § 3130.1, the Applicant must file for a building permit on or before October 14, 2012. On September 5, 2012, pursuant to § 3130.6 of the Zoning Regulations, the Applicant requested an extension of the two (2) year time period for filing a building permit application set forth in § 3130.1. At its public meeting on October 23, 2012, the Board decided that the information provided in support of the extension request was insufficient and second-hand. The Board continued the matter in order to permit the Applicant to supplement the record.

Accordingly, on behalf of the Applicant, we submit the affidavit of Rev. Stephen E. Young, Sr., the Executive Director of Washington Metropolitan Community Development Corporation ("WMCDC"). In that capacity, he has direct knowledge of the efforts made by the Applicant since 2009 to move forward the redevelopment of the Strand Theater Project. He is also well aware of the difficulties encountered in securing an anchor tenant and the impossibility of obtaining construction and permanent financing on a speculative basis in the economic climate persisting after 2008. WMCDC's development partner, the District of Columbia acting by and through the Deputy Mayor for Planning and Economic Development ("DMPED"), testified to similar effect to the D.C. Council in requesting an extension of its disposition

Board of Zoning Adjustment
District of Columbia
CASE NO. 18109
EXHIBIT NO. 386

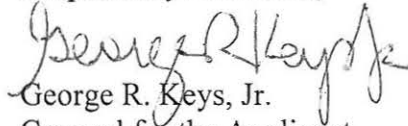
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authority for the Strand Theater. That testimony was previously submitted to the Board and we again rely upon DMPED's representations.

For all of the foregoing reasons, the Applicant requests approval of the two-year extension request.

Respectfully submitted,


George R. Keys, Jr.
Counsel for the Applicant

Attachment: Affidavit of Rev. Stephen E. Young, Sr.

cc: Advisory Neighborhood Commission 7C
D.C. Office of Planning

BEFORE THE DISTRICT OF COLUMBIA
BOARD OF ZONING ADJUSTMENT

In Re: Application No. 18109 of the District of Columbia and Washington Metropolitan Community Development Corporation to extend the effectiveness of Summary Order, dated October 14, 2010, for an additional two-year period pursuant to § 3130.6.

AFFIDAVIT

I, the undersigned, Rev. Stephen E. Young, Sr., certify and declare under penalty of perjury as follows:

1. I am the Executive Director of Washington Metropolitan Community Development Corporation ("WMCDC"), the Co-Applicant in the above-referenced variance application for the Strand Theater, 5127-5131 Nannie Helen Burroughs Avenue, N.E., Washington, D.C. 20019 (Lots 801 and 805, Square 5196)(the "subject property").
2. WMCDC was awarded the Strand Theater redevelopment rights through a competitive process managed by the Deputy Mayor for Planning and Economic Development (DMPED) in 2008. WMCDC and the District of Columbia entered into a Disposition and Development Agreement for the Strand Theater property (Lot 801) for a period of seventy-five (75) years, with a single forty (40) year extension on March 31, 2010. WMCDC has pledged its own adjacent property to the development (Lot 805), in order to bring vital retail and services to the Deanwood neighborhood in Ward 7 (the "Strand Project"). The development timetable was subsequently extended on October 6, 2011 and the project recently received a second extension approved by the DC City Council in September 2012.
3. Since the award of redevelopment rights, WMCDC has been working diligently with the District of Columbia toward the redevelopment of the historic Strand Theater.
4. On October 22, 2009, the project received concept approval from the Historic Preservation Review Board in Case No. 09-431.
5. In 2009, WMCDC engaged Blake Dickson Real Estate Services and Capital Retail Group to act as retail brokers to identify potential tenants for the subject property. WMCDC and its development team reached out to a variety of partners, including working collaboratively with the Washington DC Economic Partnership and DMPED who presented the Strand Project as part of the Washington DC presentation to the International Council of Shopping Centers (ICSC) annual conference in Las Vegas. The project was also listed on multiple listing sites, including CoStar and Loopnet for a minimum on three years. Several potential retailers including national pharmacies, local non-profits organizations and others were shown the subject property. Despite these efforts, there was minimal interest from credit worthy tenants from 2009-2012.

6. The challenge for the redevelopment was to overcome long term disinvestment and lack of investor interest in the Deanwood neighborhood, even as the District of Columbia witnessed rapid market expansion in many neighborhoods west of the Anacostia River in Washington, DC.

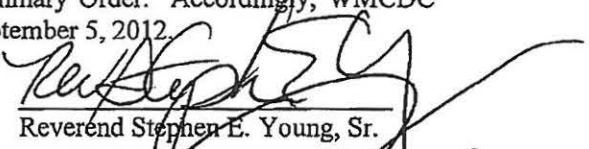
7. During the predevelopment process, the District of Columbia along with the rest of the nation experienced massive challenges to the real estate market beginning in September 2008 that significantly obstructed the ability of a wide range of real estate development projects from moving forward. The recession has been particularly challenging in economically marginal neighborhoods, like Deanwood, which has seen almost no new retail development in the past twenty years. Progress on the Strand Project was directly affected by the national economic downturn and stricter underwriting standards employed by lenders.

8. WMCDC, during the period between 2009 – 2011, held numerous discussions with a number of local banks, including PNC, CityFirst Bank and Bank of Georgetown to explore underwriting of the Strand Project, all of whom indicated that they were not interested in providing financing without a credit worthy anchor tenant to secure the construction and permanent financing.

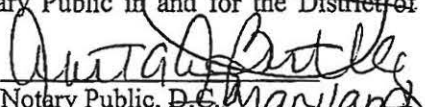
9. As a result of contacts made at ICSC, in April of 2012, Family Dollar, a national discount retailer with 6,800 stores nationwide, expressed an interest in occupying the ground retail space floor of the Strand Project. Since that time Family Dollar executed a letter of intent (LOI) for the retail space in July 2012. On the strength of the LOI, WMCDC executed a term sheet with CityFirst Bank in July 2012 to provide construction/permanent financing for the Strand Project.

10. Further, design and predevelopment work have resumed with the Strand Project's architects with plans now at the Design Development Stage. The development team has prepared its Stage I Historic Review Submission for tax credit approval and is working with the DMPED to round out the funding for the Strand Project.

11. Despite this solid progress, it was clear to WMCDC that 100% construction drawings would not be ready for building permit filing by October 14, 2012, the two-year deadline for the effectiveness of the Board's Summary Order. Accordingly, WMCDC filed a request for extension with the Board on September 5, 2012.


Reverend Stephen E. Young, Sr.

Sworn and subscribed to before me a Notary Public in and for the State of Maryland on this 1 day of November, 2012.


Notary Public, D.C. Maryland

My Commission expires: January 21, 2016

