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May 10, 2001

Ms. Sheila Cross Reid, Chair
Board of Zoning Adjustment
441 Fourth Street, N.W.
Washington, D. C. 20001

Dear Ms. Reid:

Re: BZA Case No. 16702 - Georgetown Incinerator, 3100 South Street, N.W.
Square 1189, Lot 88

Enclosed with this letter is the legislative package relating to the transfer of the incinerator site, including the appendices, as requested by the Board.

The legislation, 12-704, passed on October 6, 1998, was published in the D. C. Register of October 16, 1998 at page 7455. This is the complete package as provided by the Office of Legislative Services. The DCHD report was approved as part of the legislation.

In order to facilitate the Board Members' review, we have marked the relevant passages within the DCHD report:

1. Exhibit C, pages 2-5 contains project descriptions, including the description of the public park/open space that was envisioned;

2. Exhibit D, pages 6, 11, and 15, describes the intended community participation plan (many elements described herein never occurred).

3. The NCPC staff report, page 3, describing the project.

These relevant pages form a small part of the legislative record, but in light of the specific request from Board Member Hinton for the appendices, we secured the entire document so that it would be available for review by any Board Member needing to see the full context. A copy will be provided to the parties.

Sincerely,

Barbara Downs

Barbara Downs
President

BZA
Case No. 16702
Exhibit No. 71

Board of Zoning Adjustment
District of Columbia
CASE NO.16702
EXHIBIT NO.71A1

**ENROLLED ORIGINAL**

A RESOLUTION

12-704

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

October 6, 1998

To approve the negotiated Land Disposition Agreement (Sales Contract) for the sale of Lot 824, located in Square 1189, to Millennium Georgetown Development, L.L.C.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Disposition of Lot 824 in Square 1189 to Millennium Georgetown Development, L.L.C. Approval Resolution of 1998".

Sec. 2. The Council of the District of Columbia has reviewed, and hereby approves the negotiated Land Disposition Agreement for the sale of Lot 824 in Square 1189 by the Department of Housing and Community Development to the Millennium Georgetown Development, L.L.C.

Sec. 3. The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(3)).

Sec. 4. The Secretary to the Council shall transmit a copy of this resolution, upon its adoption, to the Mayor.

Sec. 5. This resolution shall take effect immediately.

D.C. COUNCIL
2001 JAN 11 AM 9:51

COUNCIL OF THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004

**Council Period Twelve**

**RECORD OF OFFICIAL COUNCIL VOTE**

**Docket No** PR12-741 **Resolution No** R12-704

**Action & Date** ADOPTED, 10-06-98

[X ] **Item on Consent Calendar**

[ ] **ROLL CALL VOTE - Result** _____(__ __ __ __)

| Councilmember | Aye | Nay | NV | AB | Councilmember | Aye | Nay | NV | AB | Councilmember | Aye | Nay | NV | AB |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Chmn. Cropp | | | | | Chavous | | | | | Schwartz | | | | |
| Allen | | | | | Evans | | | | | Smith, Jr. | | | | |
| Ambrose | | | | | Jarvis | | | | | Thomas, Sr. | | | | |
| Brazil | | | | | Mason | | | | | | | | | |
| Catania | | | | | Patterson | | | | | | | | | |

X - Indicates Vote AB - Absent NV - Present not Voting

[ X] **VOICE VOTE - Result** APPROVED

**Absent** MASON

**Recorded vote** _____
**(on request)**

**CERTIFICATE OF RECORD**

_____
**Secretary to the Council**

October 8, 1998
**Date**

## PURPOSE

The purpose of PR 12-741 as submitted by the Mayor is to obtain Council approval of the request that the Department of Housing and Community Development ("DHCD") be permitted under the terms of a negotiated Land Disposition Agreement to dispose of public property located in Ward Two on Lot 824 in Square 1189, between 31st Street, South Street, Wisconsin Avenue, and K Street, in Northwest, know as the Georgetown Incinerator Property, to the Millennium Georgetown Development, LLC.

The Land Disposition Agreement was negotiated as part of the development proposal submitted by Millennium Georgetown Development, LLC in response to a Request for Proposals for the redevelopment of the Georgetown Incinerator Property. DHCD, on behalf of the District Government, is managing the disposition of the Georgetown Incinerator Property for redevelopment. Millennium Georgetown Development, LLC proposed to purchase Lot 824 for the purpose of building a comprehensive mixed use development (requiring Large Tract Review) that adaptively uses the Incinerator Building and, in combination with all the remaining property in Square 1189, consists of a public parking garage with capacity for 450 vehicles, 100,000 square feet of condominium apartments, a boutique hotel of 125 rooms, a multiple theater art cinema of 2,200 seats and 75,000 sf of retail space.

Development of this property will remove a major eyesore that has been vacant and unused since the closure of the old red brick incinerator over twenty years ago. The proposed creative adaptive use is both architecturally dramatic and financially substantive. The project development, costing $100 million, will produce market rate housing units, provide much needed public parking, add high quality retail space and add a much needed art cinema complex to fill the void left by the recent closure of both the Key and Biograph Theaters. The project development will also produce income, sales and property tax revenue for the District.

The sale price of the property is $4,500,000. The project development is projected to create 530 jobs and 127 spin-off jobs during the construction phase and, at completion, will create and sustain 352 permanent jobs with 66 permanent spin-off jobs elsewhere in the District's economy. During the three year construction phase, the project will generate $3 million in taxes and, at completion, will generate annually $8 million in taxes for the District from all tax sources. Millennium Georgetown Development, LLC commits to executing a First Source Agreement with the Department of Employment Services, an agreement with the Minority Business Opportunity Commission to contract with small, local or disadvantaged businesses and commits $50,000 to funding summer jobs for District youth.

The developer has obtained the support of the affected Advisory Neighborhood Commission (ANC 2E), the Ward Councilmember Jack Evans, the Citizens Association of Georgetown, the Georgetown Business and Professional Association and the concept approval for the project from the Old Georgetown Board of the Commission on Fine Arts.

## SECTION BY SECTION ANALYSIS

| | |
|---|---|
| Section 1 | States the short title, the "Disposition of Lot 824 in Square 1189 to Millennium Georgetown Development, LLC Approval Resolution of 1998." |
| Section 2 | States that the Council has reviewed and approves the sale of the site, pursuant to DC Law 8-96. |
| Section 3 | States that the Council shall transmit a copy of the resolution upon its adoption to the Mayor. |
| Section 4 | States that the resolution shall take effect immediately. |

## SUMMARY OF PUBLIC ROUNDTABLE

### EXECUTIVE STATEMENT

Duryea C. Smith, Division Chief of New Housing and Commercial Redevelopment, within DHCD, testified in support of the proposed resolution.

### PUBLIC STATEMENT

Mr. Anthony Lanier, representing Millennium Georgetown Development, LLC, presented the proposed project development and testified in support of the proposed resolution. Mr. Shalom Baranes, project architect, and Mr. Richard Nettler, attorney, assisted Mr. Lanier.

Mr. Paul Cohn, President of the Georgetown Business and Professional Association, testified in support of the proposed resolution.

Ms. Jonda McFarlane, Chairman of ANC 2E, testified in support of the proposed resolution.

Rev. David Bird, Rector of Grace Church, which is across South Street from the project development, testified in support of the proposed resolution.

## IMPACT ON EXISTING LAW

There will be no impact on existing laws of the District of Columbia.

## FISCAL IMPACT

The proposed project development will have a positive effect on the District's budget because of the income recognized from the sale of the asset and the projected jobs and tax revenues that will be generated both during construction and once the project is complete and operational.

## COMMITTEE ACTION

The Committee met at 9 A.M. on Wednesday, June 17, 1998 at a public roundtable called by Chairperson Jarvis to consider PR 12-741.

Councilmember Jarvis called the meeting to order and reviewed the committee report. Councilmember Evans commended the developer and the project as noteworthy for Georgetown and the District, noting that the alleviation of parking congestion, creation of housing, and expansion of retail and entertainment opportunities enhances the overall quality of life for District residents.

Councilmember Jarvis moved the resolution. Councilmember Evans seconded the motion and Councilmember Jarvis called for any discussion. There being none, Councilmember Jarvis called for the committee to vote, and the proposed resolution was passed unanimously. Committee members present and voting in the affirmative:

ALLEN
JARVIS
EVANS
SMITH

## ATTACHMENTS

1. PR 12-741 as introduced;

2. (a) Notice of Public Roundtable
   (b) Witness List
   (c) Written Testimony;

3. Committee Print.

# LETTER OF UNDERSTANDING
# BY AND BETWEEN
# THE DISTRICT OF COLUMBIA
# DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

## AND

## MILLENNIUM GEORGETOWN DEVELOPMENT L.L.C.

**WHEREAS**, the District of Columbia Department of Housing and Community Development ("Department") desires that Millennium Georgetown Development, L.L.C., a D.C. limited liability company (the "Developer"), in order to enter into the final Land Disposition Agreement for Lot 824 in Square 1189 and to acquire and develop same Lot 824 in Square 1189 (the "Property"), prepare a proposal containing the information set forth hereinafter for the development of a mixed use retail/residential project (the "Project") in the Georgetown Waterfront Area; and

**WHEREAS**, Incinerator Redevelopment Associates, (comprised of Eastbanc, Inc. and Millennium Partners of Washington, D.C., Inc.) the successful respondent to the Department's Request for Proposal for the development of the Property, has assigned its right to enter into this Exclusive Right Agreement ("Agreement") to the Developer and the Department has agreed to permit the assignment; and

**WHEREAS**, the Department and the Developer have agreed, in a certain Exclusive Right Agreement dated as of June 13, 1997 ("Exclusive Rights Agreement"), to reflect the general business terms to which they have agreed in a Letter of Understanding.

**WHEREAS**, the Department and Developer desire to set forth their mutual rights and obligations under this Letter of Understanding.

**NOW, THEREFORE**, on January 27, 1998, the Department and the Developer do hereby agree as follows:

1. **AGREEMENT.** Attached hereto as Exhibit A is a draft Land Disposition Agreement ("I and Disposition Agreement") for the sale of the Property from the Department to the Developer. The Land Disposition Agreement reflects the terms on which the Department has agreed to sell and the Developer has agreed to buy the Property, subject to the satisfaction of the various conditions set forth in the Exclusive Rights Agreement ("Conditions"). Once the Conditions have been satisfied, the parties agree to enter into a Land Disposition Agreement in the form attached as Exhibit A.

DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

**********

PROJECT PROPOSAL SUMMARY

FOR

A PROPOSAL (LAND DISPOSITION AGREEMENT) TO SELL PROPERTY LOCATED IN SQUARE 1189, LOT 824, BETWEEN 31ST STREET, SOUTH STREET, WISCONSIN AVENUE, AND K STREET, IN NORTHWEST.

I. DESCRIPTION OF PROPERTY

| | |
|---|---|
| A. SQUARE | 1189, LOT 824 |
| B. WARD | 2 |
| C. SIZE | 55,376 |
| D. ZONING | W-1 |
| E. VALUE | $4,500,000 MINUS THE COST OF ENVIRONMENTAL CLEAN-UP |

II. DESCRIPTION OF PROPOSAL

Millennium Georgetown Development L.L.C. proposes to purchase Lot 824 for the purpose of building a comprehensive mixed use development (requiring Large Tract Review) that adaptively reuses the Incinerator Building and, in combination with all the remaining property in Square 1189, consists of a 450 space public parking garage, 100,000 square feet of condominium apartments, a 125 room boutique hotel, a 2,200 seat multi-theater art cinema and 75,000 square feet of retail space.

III. PROPOSAL BENEFITS

Development of this property will remove a major eyesore that has been vacant and unused since the closure of the old incinerator in the 1970s and create adaptive new uses that return it to producing income, sales and property tax revenue for the District. The project development will produce many market rate housing units, provide much needed public parking, add high quality retail space and add a much needed art cinema complex to fill the void left by the recent closure of both the Key and Biograph Theaters.

IV. REQUIRED PUBLIC ACTION

The public actions required for disposition are: 1) approval by the D.C. Financial Responsibility and Management Assistance Authority; 2) holding of a public hearing; and 3) execution of the land sales contract documents.

2. **MISCELLANEOUS.**

a. This Agreement may be executed in counterparts. in which event each of the counterparts shall constitute one and the same instrument.

b. This Agreement will be interpreted in accordance with the laws of the District of Columbia.

c. This Agreement will not be binding upon either party until the Letter of Understanding and the business terms reflected in the attached Land Disposition Agreement are approved by the D.C. Financial Responsibility and Management Assistance Authority. After approval. this letter and the obligation to enter into the Land Disposition Agreement in the attached form (assuming the Conditions have been met) will be binding upon both the Developer and the Department without further action.

**IN TESTIMONY WHEREOF**, the said District of Columbia Department of Housing and Community Development has caused this Agreement to be signed in its corporate name by James Thackaberry, and Richard Monteith, its Director, and its Corporate Seal to be hereunto affixed and does hereby constitute and appoint Richard Monteith, its true and lawful Attorney-in-Fact for it and in its name to acknowledge and deliver these presents as its act and deed.

**ATTEST:**

By: James Thackaberry

**DISTRICT OF COLUMBIA**
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

By: Richard Monteith
Director

**APPROVED AS TO LEGAL SUFFICIENCY**

By: A. S. McKenzie
Assistant Corporation Counsel

**IN TESTIMONY WHEREOF**, the said Developer, has caused this Agreement to be signed in its name by Anthony M. Lanier, the vice president and Maria T. Perry the (asst.) secretary of Incinerator Development Corporation, a D.C. corporation, the Manager of Developer and does hereby constitute and appoint Anthony M. Lanier, its true and lawful Attorney-in-Fact for it and in its name to acknowledge and deliver these presents as its act and deed. Incinerator Development Associates, a D.C. joint venture has joined in this agreement solely to confirm the assignment of its rights to the Developer.

**ATTEST:**

Asst. Maria T. Perry
Secretary

**DEVELOPER:**

**MILLENNIUM GEORGETOWN DEVELOPMENT L.L.C.**

BY: INCINERATOR DEVELOPMENT CORPORATION, its Manager

By: Anthony M. Lanier
VP

Contract No. DC-DHCD-97-33
Lot 824, Square 1189
Georgetown Incinerator

# CONTRACT

FOR

SALE OF LAND FOR PRIVATE DEVELOPMENT

By and Between

DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
(A District of Columbia Municipal Corporation)

and

MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C.
(A District of Columbia Limited Liability Company)

PART I

Instrument No. _____

Recordation Date _____

# EXHIBIT A

## *LAND DISPOSITION AGREEMENT*

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F. No Government Proceedings ..... Part I - Page 12
G. No Other Agreements ..... Part I - Page 12
H. Condition of Property and Leases ..... Part I - Page 12
I. Obligations Prior to Closing ..... Part I - Page 13

SEC. 13. AMENDMENTS ..... Part I - Page 13

ATTACHMENTS: The following Exhibits are incorporated herein by this reference and made a part hereof:

Exhibit A - Legal Description of Property
Exhibit B - Final Plans ("Plans")
Exhibit C - Affirmative Action Plan; Equal Employment Opportunity Policy
Exhibit D - Community Participation Plan
Exhibit E - Department of Employment Services Employment Agreement
Exhibit F - Minority Business Opportunity Commission ("MBOC") Memorandum of Understanding
Exhibit G - Escrow Agreement for Certificates of Completion
Exhibit H - Covenant
Exhibit I - Title Report

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## PART I

**THIS CONTRACT** (consisting of two parts, Part I and Part II), duly made and entered into this ___ day of _____, 199_, by and between the **DISTRICT OF COLUMBIA** ("DISTRICT"), acting by and through the **DISTRICT OF COLUMBIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** (the "DEPARTMENT") and the **Millennium Georgetown Development, L.L.C.** (the "REDEVELOPER").

## RECITALS:

(1) Community Development

**WHEREAS,** the DEPARTMENT is operating on behalf of the District of Columbia for the purpose of replanning and rebuilding slum, blighted, and other areas pursuant to the District of Columbia Community Development Act of 1975, as amended (D.C. Law 1-39), D.C. Code Sec. 5-901 et. seq. (1981 ed. updated) (the "ACT"); and

(2) Assistance to PROJECT

**WHEREAS,** in order to enable the DEPARTMENT to achieve the objectives of the ACT, both the Federal Government and the District of Columbia have undertaken to provide and have provided substantial aid and assistance to the PROJECT (as hereinafter defined); and

(3) Sale of Property to REDEVELOPER

**WHEREAS,** the DEPARTMENT owns and is willing to sell to the REDEVELOPER certain real property situated in the District of Columbia which property is further identified and described in Exhibit A attached hereto and made a part of this CONTRACT; and

(4) REDEVELOPER's Offer

**WHEREAS,** the REDEVELOPER has offered to purchase the PROPERTY for and in accordance with the objectives of the ACT; and

(5) PROJECT Requirements

**WHEREAS,** the REDEVELOPER has specifically agreed to construct a project on the Land and on adjacent parcels consisting of approximately (i) 100,000 gross square feet of residential space, (ii) 30,000 gross square feet of commercial space and (iii) parking space for approximately 250 cars, plus parking for one additional full size car for each 500 sq. ft. of Adjacent Land added to the Property as part of the Project, or such lesser square footage for parking, for which a building permit may be issued by the appropriate agency of the District of Columbia;

(6) Agreement in Public Interest

**WHEREAS**, the DEPARTMENT believes that the purchase, redevelopment, and resale of the PROPERTY pursuant to this CONTRACT is in the vital and best interests of the DISTRICT and the health, safety, morals and welfare of its residents, and in accordance with the public purposes and provisions of the applicable Federal and local laws and requirements under which the PROJECT has been undertaken and is being assisted.

(7) Exclusive Rights Agreement

**WHEREAS**, the DEPARTMENT and the REDEVELOPER have entered into an Exclusive Rights Agreement ("ERA") dated June 13, 1997 under the terms of which the REDEVELOPER agreed to prepare a development proposal(as hereinafter defined) for the PROJECT at its expense and in return, the DEPARTMENT agreed to deal exclusively with the REDEVELOPER with respect to the PROJECT, under the terms of the ERA.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of the parties hereto covenants and agrees that:

**SEC. 1. DEFINITIONS** For the purposes of this CONTRACT, the following terms shall have the meanings ascribed to them below and unless the context clearly indicates otherwise, shall include the plural as well as the singular:

A. **"ACT"** shall mean the District of Columbia Community Development Act of 1975, as amended, (D.C. Code 5-901 et seq., 1981 Edition, updated) and as it may hereinafter be further amended from time to time.

B. **"ADJACENT LAND"** shall mean land which is physically adjacent to the Property and which is developed with the Property as a single, unified Project.

C **"APPROVED ARCHITECT"** shall mean an architect licensed in the District of Columbia who has been approved by both the DEPARTMENT and the REDEVELOPER. For all purposes of this CONTRACT, the DEPARTMENT and the REDEVELOPER hereby approve Shalom Baranes Associates and Gary Handel Associates as Approved Architects.

D. **"BANK"** shall mean a private financial lending institution which shall provide financing for the acquisition, construction and or development of the PROJECT.

E. **"BANK LOAN"** shall mean any loan with respect to which sums advanced by the BANK to REDEVELOPER are used for the acquisition, construction and\or development (including without limitation, the sale and leasing of the PROJECT), including hard and soft costs.

F. **"CLOSING"** shall mean the consummation of the transactions contemplated herein

G. **"COVENANT"** shall mean a document to be recorded at Closing among the land records of the District of Columbia with respect to the PROPERTY in the form attached hereto as Exhibit H.

H. **"CERTIFICATE OF COMPLETION"** or **"CERTIFICATE OF FINAL COMPLETION"** shall have the meaning ascribed to it in Section 307 of Part II of this CONTRACT, and shall, as the context requires, refer to the PROPERTY in whole or in part.

I. **"CLOSING DATE"** shall mean the date Closing takes place pursuant to Section 3B hereof.

J. **"CONTRACT"** shall mean this Contract consisting of Part I and Part II bearing even date and executed by the parties hereto, and as such may be hereinafter mutually amended or modified in writing by parties from time to time.

K. **"COUNCIL"** shall mean the Council of the District of Columbia under the District of Columbia Self-Government and Governmental Reorganization Act, or its duly authorized representatives, successors and assigns.

L. **"DEPARTMENT"** shall mean the District of Columbia Department of Housing and Community Development, and shall include any successor in interest or assigns by act of a party or parties to this CONTRACT or by operation of law (other than as a result of the exercise of the right of eminent domain by public authority) or otherwise.

M. **"DEPOSIT"** shall have the meaning ascribed to it in Section 5 hereof.

N **"DIRECTOR"** shall mean the Director of the DEPARTMENT, operating as the agent of the Mayor of the DISTRICT, operating under the authority of the ACT.

O **"FINAL PLANS"** shall mean the working drawings approved in accordance with Section 303 of Part II of this CONTRACT, or preliminary construction drawings including any changes approved in accordance with Section 304 of Part II of this CONTRACT, set forth in Exhibit B hereto and made a part hereof.

P **"FUTURE SALES"** or **"RESALE"** shall mean any sale of any portion of the PROPERTY which occurs after the date of the CONTRACT.

Q. **"IMPROVEMENTS"** shall mean any structures, landscaping or site improvements now or hereafter constructed or placed on the PROPERTY by the REDEVELOPER in accordance with the terms of this CONTRACT and as described in the FINAL PLANS.

R. **"MINIMUM PROJECT REQUIREMENTS"** shall mean a project on the PROPERTY and ADJACENT LAND consisting of approximately (i) 100,000 gross square feet of residential space, (ii) 30,000 gross square feet of commercial space and (iii) parking space for approximately 250 cars, plus parking for an additional full size car for each 500 sq. ft. of ADJACENT LAND added to the PROPERTY as part of the PROJECT, or such lesser square footage or parking for which a building permit may be issued by the appropriate agency of the District of Columbia.

S. **"MORTGAGE"** shall include such terms as "deed of trust" "mortgage deed", or such classes of instruments as are commonly given to secure advances on real estate and leasehold estates under the laws of the DISTRICT.

T. **"MORTGAGEE"** or the **"HOLDER OF SUCH MORTGAGE"** shall mean the party or parties to whom a money obligation is owed, the payment of which is secured by the REDEVELOPER'S interest in the PROPERTY under the terms of a MORTGAGE.

U. **"PROPOSAL"** shall mean the REDEVELOPER'S written proposal dated September 30, 1996, as amended, to develop the PROPERTY as approved by the DEPARTMENT subject to any changed conditions which are not in conflict with the CONTRACT.

V. **"PROJECT"** shall mean the development of a mixed use project on the PROPERTY and, if the REDEVELOPER so elects, on the ADJACENT LAND, as described in the FINAL PLANS.

W. **"PROPERTY"** shall mean the land described in Exhibit A attached hereto and made a part hereof, together with all IMPROVEMENTS now or hereafter placed thereon. The PROPERTY also known as Square 1189, Lot 824, located on K Street, N.W. in Washington, D.C.

X. **"PURCHASE PRICE"** shall have the meaning ascribed to it in Section 2 hereof.

Y. **"PUBLIC IMPROVEMENTS"** shall mean those facilities generally owned, constructed and maintained by the public sector and used by the general public and shall include, but not be limited to alleys, sidewalks, curbs, gutters landscaping (trees, shrubs, sod, tree grates, etc.,) and pedestrian walkways.

Z. **"REDEVELOPER"** shall mean Millennium Georgetown Development, L.L.C., organized and existing under the laws of the DISTRICT or any purchaser, assignee or transferee of the REDEVELOPER or other successor in interest of the REDEVELOPER by act of the parties to this CONTRACT, or by operation of law (other than as a result of condemnation proceedings by public authority), or otherwise excluding, however, any individual purchaser(s) of homes and any MORTGAGEE

B. Title Report, Insurance and Survey. Prior to the conveyance of the DEED to the PROPERTY, the REDEVELOPER shall be responsible, at its sole cost and expense, for obtaining a title report, title insurance in favor of the REDEVELOPER, a survey of the PROPERTY, and, if not previously filed, a subdivision plat ready for filing with the D.C. Office of the Surveyor. Attached hereto as Exhibit I is a title commitment ("Title Commitment") for the PROPERTY identifying those liens or encumbrances which REDEVELOPER accepts ("Permitted Encumbrances") and those to which REDEVELOPER objects. The DEPARTMENT agrees to attempt in good faith to eliminate the liens and encumbrances to which REDEVELOPER has objected. If any such exceptions are not eliminated by Closing, REDEVELOPER shall have the option of (i) terminating the CONTRACT, whereupon the DEPOSIT will be returned and neither party will have any further liability to the other, or (ii) proceed to Closing with a deduction from the Purchase Price in the amount which the company issuing the Title Commitment ("Title Company") has determined is sufficient to either remove the lien or encumbrance or insure over the lien or encumbrance. The REDEVELOPER shall cause the Title Company to update the Title Report prior to Closing and shall notify the DEPARTMENT as to any matter not shown on the Title Commitment to which REDEVELOPER objects. The DEPARTMENT may then at its option either (1) satisfy REDEVELOPER'S objection(s) to the condition of title, or (2) provide written notice to the REDEVELOPER of the DEPARTMENT'S intent to terminate the DEPARTMENT'S obligation to convey title to any or all portions of the PROPERTY to which it can not convey satisfactory title, with no further liability of either party to the other unless REDEVELOPER agrees to accept such title as the DEPARTMENT can give, with an appropriate deduction from the Purchase Price in the amount which the Title Company has determined is sufficient to either remove the lien or encumbrance or insure over the lien or encumbrance. If the REDEVELOPER does not provide the DEPARTMENT with written notice of any objections to title within ten (10) business days after the REDEVELOPER receives written notice from the Title Company of such title defect, then all objections shall be deemed waived and for the purposes hereof, title shall be deemed to be satisfactory for conveyance to the REDEVELOPER.

C. Time and Place for Delivery of Deed. The PROPERTY shall be conveyed to the REDEVELOPER by SPECIAL WARRANTY DEED. Except as otherwise provided in Section 309 of Part II of this CONTRACT hereof, the DEPARTMENT shall deliver the DEED and possession of the PROPERTY to the REDEVELOPER, and the REDEVELOPER hereby agrees to accept delivery of the DEED and possession of the PROPERTY on a date established by ten days written notice from the REDEVELOPER to the DEPARTMENT within NINETY (90) days after all Building Permit(s) have been issued by the appropriate governmental entities which are required before REDEVELOPER can commence construction of the IMPROVEMENTS or on such later date as the parties hereto may mutually agree ("CLOSING DATE"). In no event shall the DEPARTMENT terminate the CONTRACT for failure of the REDEVELOPER to accept conveyance within said three (3) month period if failure to do so is solely a result of delay caused by the DEPARTMENT. CONVEYANCE shall be made at the principal office of the DEPARTMENT, or at such other place as the parties may mutually agree upon, and the REDEVELOPER shall accept such conveyance and pay to the DEPARTMENT at such time and place, or manner the PURCHASE PRICE and such other payments as may be required herein.

except to the extent a MORTGAGEE expressly elects to be REDEVELOPER pursuant to Sec. 604 hereof.

AA. **"SCHEMATIC PLANS"** shall mean the preliminary plans and outline specifications approved in accordance with Section 302 of Part II of this CONTRACT.

BB. **"SIGNIFICANT CHANGE"** shall mean, except as provided otherwise in this CONTRACT, any change which alters the original intent or concept embodied in this CONTRACT, changes the entity which exercises managerial control over the REDEVELOPER or alters any numerical figure by ten percent (10%) or more.

CC. **"SUBSTANTIAL COMPLETION DATE"** with respect to any portion of the PROJECT shall mean the date by which that portion of the PROJECT has been substantially completed, substantially in accordance with the Plans, as certified by an APPROVED ARCHITECT and to the extent certificates of occupancy are routinely issued for such improvements, a certificate of occupancy has been issued by the District of Columbia with respect to that portion of the PROJECT.

## SEC. 2. SALE; PURCHASE PRICE.

A. Subject to all the terms, covenants, and conditions of this CONTRACT, the DEPARTMENT will sell and the REDEVELOPER shall purchase the PROPERTY for the sum of Four Million Five Hundred Thousand Dollars ($4,500,000), subject to any adjustments set forth herein, and payable at Closing by wire transfer or by certified check.

## SEC. 3. CONVEYANCE OF THE PROPERTY.

A. Form of Deed. The DEPARTMENT shall convey to the REDEVELOPER title to the PROPERTY by Special Warranty Deed or Deeds (hereinafter collectively called "DEED"). Title shall be free and clear of all liens, encumbrances, reservations, and exceptions of record, other than the following ("Permitted Exceptions"):

1. Applicable building and zoning laws and regulations;

2. Restrictions and provisions set forth in federal and District laws and regulations;

3. Covenants, conditions and restrictions set forth in the CONTRACT;

4. Such easements, covenants, conditions and restrictions which may be mutually agreed upon hereinafter by the DEPARTMENT and the REDEVELOPER prior to the conveyance of the PROPERTY to the REDEVELOPER.

5. Permitted Encumbrances.

D. Condition of the Property.

1. REDEVELOPER AND the DEPARTMENT acknowledge that certain Hazardous Substances have been discovered on the PROPERTY as set forth in a certain environmental report dated June 19, 1997 and prepared by Environmental Strategies Corporation ("Environmental Report"). The REDEVELOPER agrees to solicit bids from at least three qualified abatement contractors reasonably approved by the DEPARTMENT to abate the Hazardous Substances. REDEVELOPER will receive a credit at Closing against the Purchase Price in an amount equal to the lowest of the three bids for such abatement work, or, if the abatement work is done prior to Closing, in an amount equal to the actual cost of the abatement work (including the amount of the lowest bid and the cost, if any, of removing any additional Hazardous Substances not initially identified in the Environmental Report but found in the course of the abatement). REDEVELOPER will have the right to have such abatement work done prior to Closing and the DEPARTMENT agrees to allow such contractor access to the PROPERTY to perform such work pursuant to the terms of Section 203 of Part II of the CONTRACT. REDEVELOPER will only be reimbursed for this work by a credit against the Purchase Price at Closing. If Closing does not occur for any reason other than the DEPARTMENT's wrongful failure to convey the PROPERTY, REDEVELOPER will not be entitled to be reimbursed for the cost of abatement.

2. Except as otherwise set forth herein, REDEVELOPER acknowledges and agrees to accept the PROPERTY " as is" with no warranties as to the physical condition of the PROPERTY. REDEVELOPER and the DEPARTMENT agree to inspect the PROPERTY as of the date of this CONTRACT. REDEVELOPER agrees to accept the PROPERTY at Closing in the condition it was in as of the date of this CONTRACT. Therefore, the REDEVELOPER shall not make any claims against the DEPARTMENT after Closing for any condition of the PROPERTY including the subsequent discovery of any Hazardous Substance or Solid Waste as such terms are defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sec. 9601 et seq.) and the Resource Conservation and Recovery Act of 1986 (42 U.S.C. Sec. 6901 et seq.). Furthermore, the REDEVELOPER agrees to indemnify, defend and hold the DEPARTMENT harmless from any claims arising from any condition on the PROPERTY or any portion thereof after title to the PROPERTY passes to the REDEVELOPER.

SEC. 4. **RECORDATION OF DOCUMENTS.** Unless otherwise agreed to in writing by the DEPARTMENT, promptly after delivery of the DEED at Closing, the REDEVELOPER shall cause to be filed for recordation among the Land Records of the DISTRICT the DEED, the COVENANT and such other documents which are to be so recorded pursuant to the terms of the CONTRACT. The REDEVELOPER shall pay all costs pertaining to the transfer of the PROPERTY including but not limited to the cost of: (1) the title search, (2) title insurance, (3) District of Columbia Real Estate Deed Recordation Tax, (4) fees to record the DEED and such other documents required by the CONTRACT, and (5) the REDEVELOPER'S attorney's fees for settlement.

## SEC. 5. GOOD FAITH DEPOSIT.

A. Amount. The REDEVELOPER, prior to the execution of the CONTRACT by the DEPARTMENT, has delivered to the DEPARTMENT a GOOD FAITH DEPOSIT in the amount of One Hundred Thousand Dollars ($100,000) (the "DEPOSIT"). Such DEPOSIT is presently held under Section 1 of the ERA and shall be held by the DEPARTMENT hereunder as security for the performance of obligations of the REDEVELOPER to be performed under this CONTRACT.

B. Interest. The DEPARTMENT shall be under no obligation to pay interest on the DEPOSIT, but if the REDEVELOPER wishes to earn interest, it is its obligation to make arrangements with its financial institution to pay such interest directly to REDEVELOPER. Any interest, if earned on the DEPOSIT, shall be the property of the REDEVELOPER and shall be payable to the REDEVELOPER as earned.

C. Retention by DEPARTMENT. If the REDEVELOPER defaults in its obligation to close pursuant to this CONTRACT, the DEPARTMENT will be entitled to retain the DEPOSIT, and any interest earned after the date of the REDEVELOPER'S default, as agreed and liquidated damages, all in accordance with the CONTRACT.

D. Return to REDEVELOPER. At Closing, the DEPOSIT will be applied to the Purchase Price or will be returned to REDEVELOPER at the REDEVELOPER'S option.

## SEC. 6. SUBMISSION OF PLANS; ADDITIONAL COVENANTS OF REDEVELOPER

A. Schematic Drawings. As of the date hereof, the Schematic Drawings have been submitted to the DEPARTMENT by the REDEVELOPER and approved by the DEPARTMENT, pursuant to Section 302 of Part II of this CONTRACT.

B Time for Submission of Final Plans. As of the date hereof, FINAL PLANS have been submitted to the DEPARTMENT by the REDEVELOPER and approved by the DEPARTMENT, pursuant to Section 303 of Part II of this CONTRACT. Said FINAL PLANS are attached hereto as Exhibit B and made a part hereof. SCHEMATIC PLANS and FINAL PLANS are hereafter sometimes referred to as the PLANS. The PLANS may, at REDEVELOPER'S option and without the necessity for obtaining the DEPARTMENT'S approval, be revised from time to time (i) to the extent required to obtain Building Permits or to satisfy the requirements of any governmental entity, insurance underwriter or community group whose support or approval is required to obtain necessary permits or approvals or insurance coverage or (ii) to make any changes to the structural, mechanical or interior design of the Improvements so long as the MINIMUM PROJECT REQUIREMENTS are maintained. Such PLANS may also be revised for any other reason with the approval of the DEPARTMENT which shall not be unreasonably withheld, conditioned or delayed. The DEPARTMENT'S consent will be deemed to have been given, if, within 15 days after request for approval, the DEPARTMENT does not object in writing stating in detail its reasons for objection.

## SEC. 7. COMMENCEMENT AND COMPLETION OF IMPROVEMENTS.

A. The construction of the IMPROVEMENTS shall be commenced within one hundred eighty (180) days after the Date of Closing ("Commencement Deadline") and shall be completed within sixty (60) months after the date of Closing ("Completion Deadline") unless otherwise extended by the DEPARTMENT in writing in its reasonable discretion and subject to *force majeure*, as provided in this Contract. It is understood and agreed that commencement of clearance and excavation of the PROPERTY or environmental abatement shall be deemed commencement of construction within the meaning of this Section 7. "Completion of construction" for any portion of the PROJECT shall be the date of SUBSTANTIAL COMPLETION for such portion of the PROJECT as defined in Section 1 hereof and "completion of construction" for the entire PROJECT shall mean the date of SUBSTANTIAL COMPLETION of the PROJECT.

## SEC. 8. RELEASE OF PORTIONS OF PROJECT.

A. The PROJECT may be completed in phases. Once each phase of the PROJECT is completed, an APPROVED ARCHITECT will inspect the IMPROVEMENTS and, if the IMPROVEMENTS completed to date have been SUBSTANTIALLY COMPLETED substantially in accordance with the Plans, the APPROVED ARCHITECT will so certify in a certificate ("Architect's Certificate") which describes in detail the portion of the PROJECT which was so completed. If the Architect's Certificate applies to the entire PROJECT, the ARCHITECT'S CERTIFICATE will so specify and a CERTIFICATE OF FINAL COMPLETION will be recorded. The DEPARTMENT will execute and will deposit in escrow with the Title Company five CERTIFICATES OF COMPLETION and one CERTIFICATE OF FINAL COMPLETION. Provided (i) a Certificate of Occupancy has been issued with respect to any completed structures in the PROJECT (to the extent a Certificate of Occupancy can be issued under applicable laws and regulations) and (ii) an APPROVED ARCHITECT has issued an ARCHITECT'S CERTIFICATE with respect to the portion of the PROJECT for which a release from the Covenant is requested and (iii) a true copy of the Certificate of Occupancy (if applicable) and ARCHITECT'S CERTIFICATE, has been hand delivered to the DEPARTMENT, such portion of the PROJECT will be deemed to have been released from the COVENANT. Pursuant to the terms of an Escrow Agreement, attached hereto as Exhibit G, between the Title Company and the DEPARTMENT, the Title Company shall be irrevocably required to record a CERTIFICATE OF COMPLETION, within ten (10) business days after receipt of such documents by the TITLE COMPANY and the DEPARTMENT from the APPROVED ARCHITECT, to release of record the portion of the PROJECT described in the Architect's Certificate. If the APPROVED ARCHITECT issues an Architect's Certificate for the entire PROJECT, the "CERTIFICATE OF FINAL COMPLETION" will be recorded which will completely release of record the COVENANT

**SEC. 9. FAILURE TO COMPLETE.** If the REDEVELOPER fails to commence the IMPROVEMENTS by the Commencement Deadline or fails to substantially complete the IMPROVEMENTS by the Completion Deadline or otherwise defaults under this Contract beyond applicable notice and cure period, the DEPARTMENT will be entitled to exercise the remedies for such defaults pursuant to Section 704, Part II of this Contract.

**SEC. 10. NOTICES AND DEMANDS.** A notice, demand or other communication under this CONTRACT by either party to the other shall be sufficiently given or delivered (a) as of the date of delivery if sent by messenger (with a receipt for delivery) or personally delivered to the REDEVELOPER, or other agent of the REDEVELOPER authorized to receive notice on its behalf, or if to the DEPARTMENT then to the DIRECTOR or his/her delegate, or if to the MORTGAGEE, then to an officer of the MORTGAGEE authorized to receive such notice; or (b) as of three days after it is sent by regular and certified mail, return receipt requested. The parties designated below are authorized to receive notice hereunder:

A. to the REDEVELOPER:

c\o Anthony Lanier
Eastbanc, Inc
1815 Pennsylvania Avenue, N.W., Suite 1200
Washington, D.C. 20006

with a copy to:

Robins, Kaplan, Miller & Ciresi L.L.P.
1801 K Street, N.W., Suite 1200
Washington, D.C. 20006-1301
ATTN: Richard B. Nettler, Esq.

and a copy to:

Millennium Partners
1995 Broadway
New York, New York 10023
ATTN: Mr. Philip Lovett

B. to the DEPARTMENT:

District of Columbia
Department of Housing and Community Development
51 "N" Street, N.E.
Washington, D.C. 20002
ATTN: Director

with a copy to:

Joan E. McKenzie, Esq.
Office of Corporation Counsel
Land Use Section - Suite 6N111
441 4th Street, N.W.
Washington, D.C. 20001

C. to the MORTGAGEE: [to be filled in prior to conveyance of the PROPERTY]

_____
_____
_____
_____

with a copy to:

_____
_____
_____
_____

or to such other address as any party may from time to time specify in a NOTICE as provided above.

SEC. 11. **NO BROKER INVOLVED.** The DEPARTMENT and the REDEVELOPER agree that no broker brought about the sale and purchase of the PROPERTY provided for in this CONTRACT.

SEC. 12. **REPRESENTATIONS.** The DEPARTMENT hereby makes the following representations, warranties and covenants to REDEVELOPER, all of which are true as of the date hereof and shall be deemed to be remade by the DEPARTMENT to REDEVELOPER as of the Closing Date and shall survive the Closing.

A. **Authority.** The DEPARTMENT has the power, right and authority to enter into and perform all of the obligations required of the DEPARTMENT under this Contract and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby.

B. **Consents.** The DEPARTMENT has taken all requisite action and obtained all requisite consents, releases and permissions in connection with entering into this Contract and the instruments and documents referenced herein or required under any covenant, agreement, encumbrance, law or regulation with respect to the obligations required hereunder, and no consent of any other party is required for the performance by the DEPARTMENT of its obligations hereunder.

C. **Execution.** This Contract is, and all agreements, instruments and documents to be executed and delivered by the DEPARTMENT pursuant to this Contract shall be, duly authorized, executed and delivered by the DEPARTMENT. This Contract is, and all agreements, instruments and documents to be executed and delivered by the DEPARTMENT pursuant to this Contract shall be, valid and legally binding upon the DEPARTMENT and enforceable in accordance with their respective terms.

D. **No Breach.** Neither the execution of this Contract nor the consummation of the transactions contemplated hereby does now constitute or shall result in a breach of or a default under, any agreement, document, instrument or other obligation to which the DEPARTMENT is a party or by which the DEPARTMENT may be bound, or any law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body, applicable to the DEPARTMENT or to the PROPERTY.

E. **No Contracts.** There are no contracts, warranties, guaranties, bonds, leases or other agreements, oral or written, which are or will be obligations of the REDEVELOPER or affect the PROPERTY after the Closing.

F. **No Government Proceedings.** To the best of its knowledge, there are no existing, pending, nor has the DEPARTMENT received notice of or does the DEPARTMENT have knowledge of any, contemplated or threatened, governmental rules, regulations, plans, studies or efforts, or court orders or decisions, which do or could adversely affect the use or value of the PROPERTY.

G. **No Other Agreements**. The DEPARTMENT owns fee title to the PROPERTY and to the best of its knowledge, the PROPERTY is not subject to any liens or encumbrances other than the Permitted Encumbrances. The DEPARTMENT has not entered into any other contracts for the sale of the PROPERTY, and no party (including any lessee under any of the Leases) has a right of first refusal or option to purchase all or a portion of the PROPERTY.

H. **Condition of Property and Leases.**

1. Water, stormwater, sanitary sewer, electricity and telephone service are available at the lines of the PROPERTY over duly dedicated streets or perpetual easements of record. There exists no restriction, prohibition or moratorium on the right of REDEVELOPER to access all such utilities.

2. The DEPARTMENT has no knowledge of any change contemplated in any applicable laws, ordinances or regulations, any judicial or administrative action, proceeding or investigation, any action by owners of land adjoining the PROPERTY, or natural or artificial conditions upon the PROPERTY, which would restrict or prohibit REDEVELOPER's use and development of the PROPERTY.

3. There are no parties in possession of any portion of the PROPERTY as lessees, tenants at sufferance or trespassers.

I. **Obligations Prior to Closing.** The DEPARTMENT covenants and agrees with REDEVELOPER that:

1. Without the prior written approval of REDEVELOPER, the DEPARTMENT shall not (i) make any material physical changes or material physical alterations to or upon the PROPERTY or any part thereof, except as required under the Leases or a result of emergency or governmental order; or (ii) enter into, modify, alter or extend any agreements affecting all or any part of the PROPERTY, including the Leases, except for routine contracts for the maintenance or management of the PROPERTY entered into in the normal course of business which can be terminated without cost or penalty upon not more than thirty days notice.

2. The DEPARTMENT shall maintain the PROPERTY or cause the PROPERTY to be maintained, in its current condition (ordinary wear and tear and insured casualty excepted) from the Effective Date through the Closing Date.

3. After the date hereof, the DEPARTMENT shall not enter into any leases or contracts without REDEVELOPER's written consent.

If any representation or warranty contained in this Contract should become materially untrue or incorrect at or before Closing, the DEPARTMENT shall notify REDEVELOPER of such condition and REDEVELOPER may (i) waive such condition and close, or (ii) terminate this Contract, whereupon the PURCHASE DEPOSIT shall be refunded to REDEVELOPER, DEPARTMENT will reimburse the REDEVELOPER for the cost of abatement, if applicable, and no party hereto shall have any further rights, claims or liabilities hereunder except as expressly provided for by the terms of this Contract.

SEC. 13. AMENDMENTS. This CONTRACT may be amended only in writing signed by the parties hereto.

IN TESTIMONY WHEREOF, the District of Columbia Department of Housing and Community Development, has caused these presents to be signed in its corporate name by _____, its Director, as of this ____ day of _____, 199_.

ATTEST/ WITNESS:

DISTRICT OF COLUMBIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By:_____

By:_____
Director

APPROVED AS TO LEGAL SUFFICIENCY

Joan E. McKenzie
Assistant Corporation Counsel

IN TESTIMONY WHEREOF, Millennium Georgetown Development, L.L.C. has caused these presents to be executed in its name by Anthony M. Lanier, the Vice President of Incinerator Development Corporation, its Manager, as of the 6th day of January, 1998.

ATTEST/WITNESS.

MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C.

By: INCINERATOR DEVELOPMENT CORPORATION, a D.C. corporation, Manager

By _____
[SEAL]

By: _____

By: _____
[SEAL]

By: _____

## ACKNOWLEDGMENTS

District of Columbia, ss:

This instrument was acknowledged before me on _____, 199_, by _____ as Director of the District of Columbia Department of Housing and Community Development.

_____
Notary

[SEAL]

My Commission Expires: _____

District of Columbia, ss:

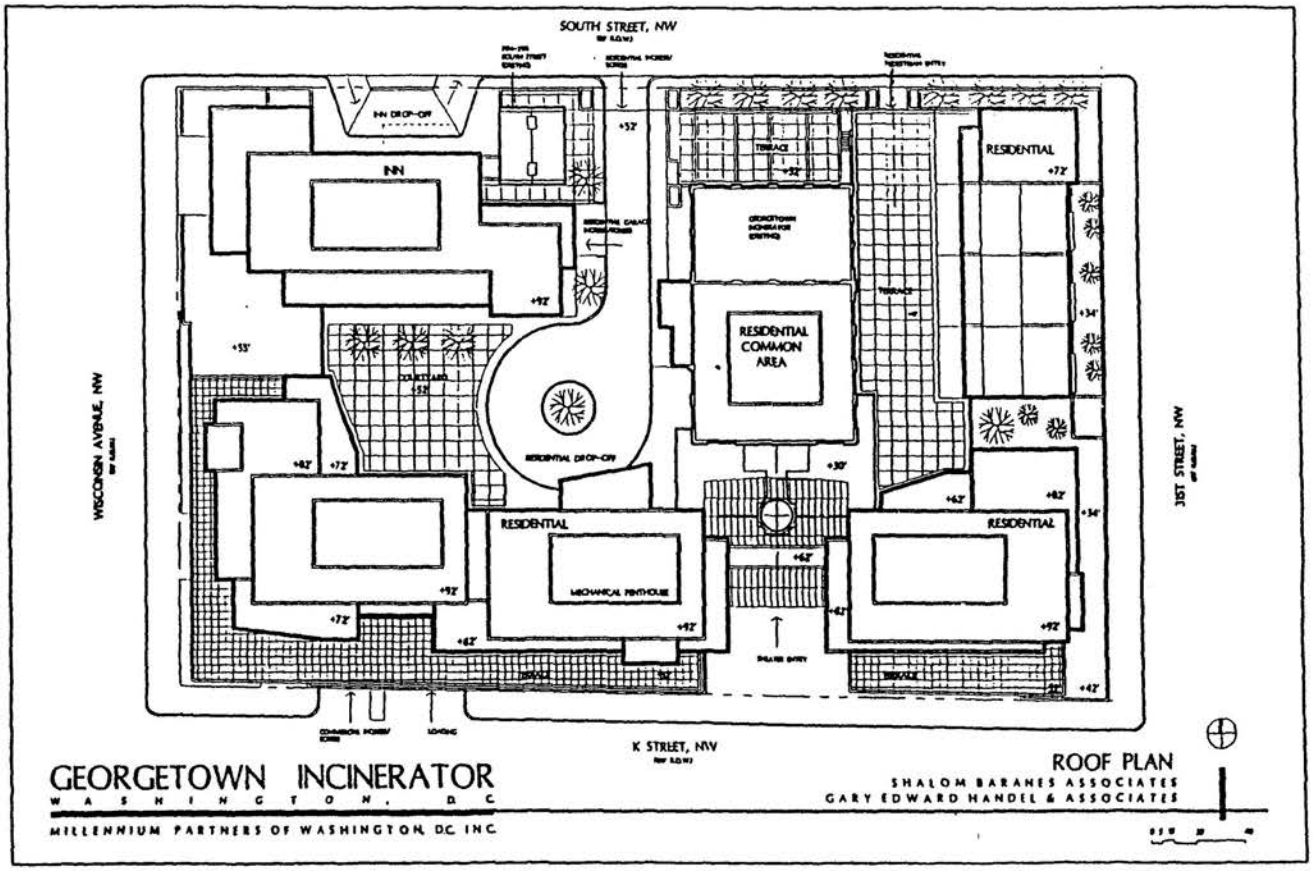
This instrument was acknowledged before me on 1/6th, 1998 by Anthony M. Lanier, as vice president of Incinerator Development Corporation, Manager of Millennium Georgetown Development, L.L.C.

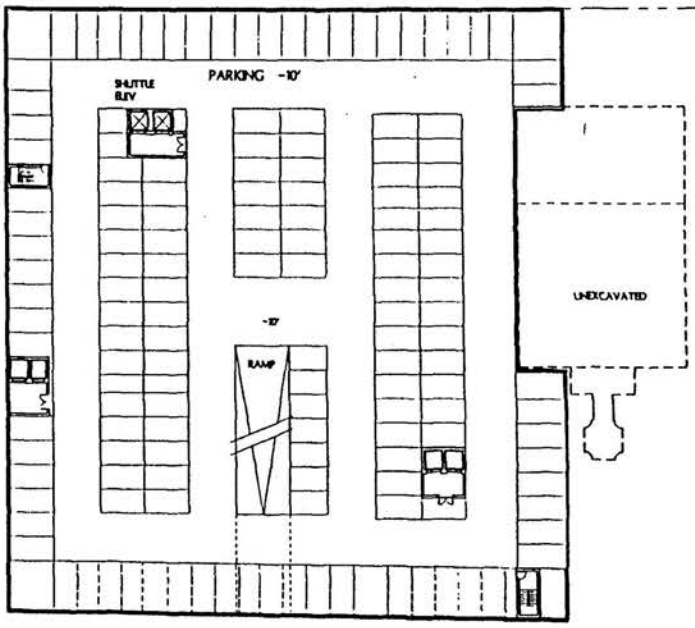
Marcia M. Donovan
Notary

[SEAL]

My Commission Expires: 11/30/98

# EXHIBIT A
## PROPERTY DESCRIPTION


SOUTH STREET, NW
INN DROP-OFF
INN
TERRACE
RESIDENTIAL
RESIDENTIAL COMMON AREA
RESIDENTIAL DROP-OFF
RESIDENTIAL
MECHANICAL PENTHOUSE
RESIDENTIAL
WISCONSIN AVENUE, NW
31ST STREET, NW
K STREET, NW
GEORGETOWN INCINERATOR
WASHINGTON, DC
MILLENNIUM PARTNERS OF WASHINGTON, DC, INC.
ROOF PLAN
SHALOM BARANES ASSOCIATES
GARY EDWARD HANDEL & ASSOCIATES




# GEORGETOWN INCINERATOR

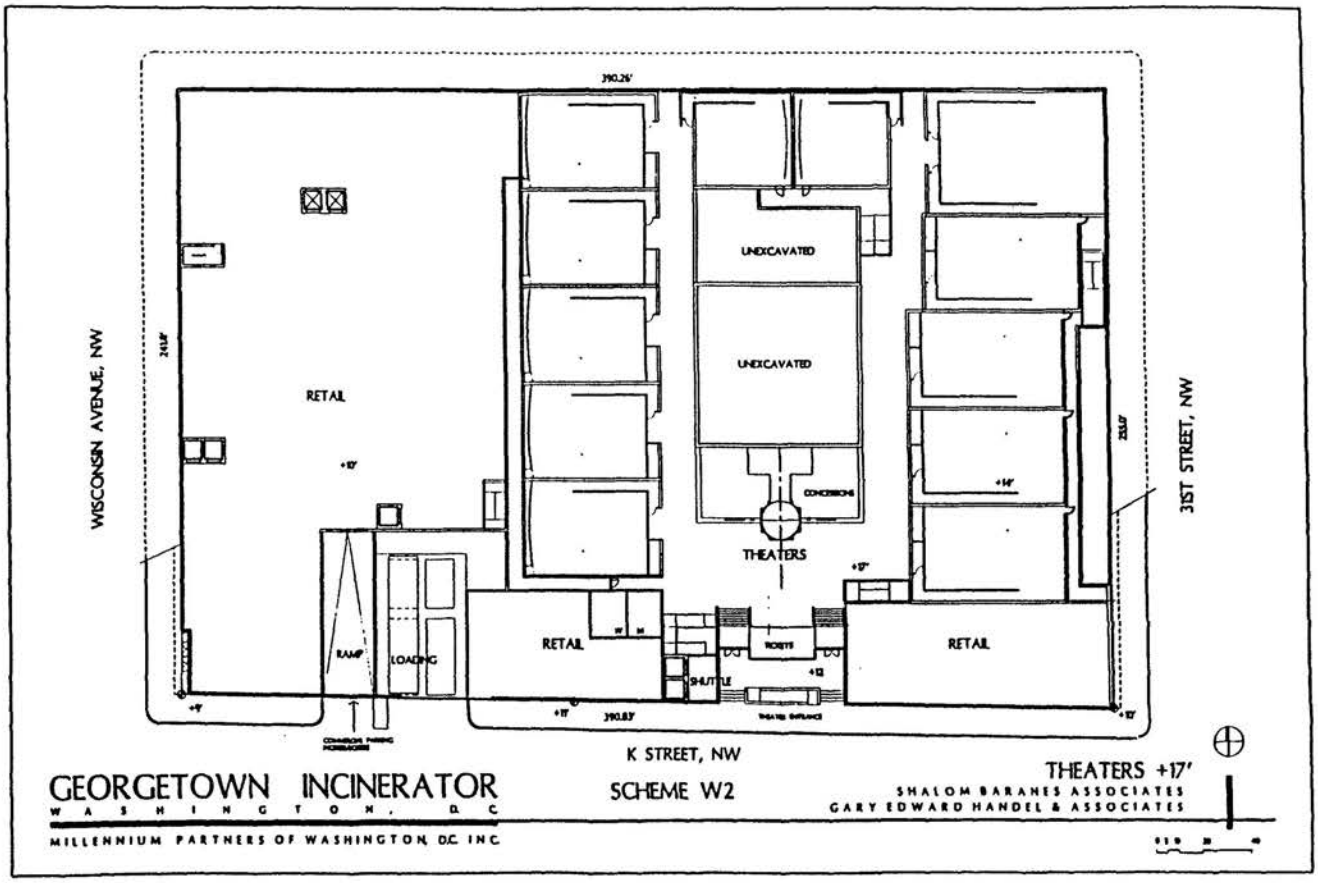
WASHINGTON, D.C

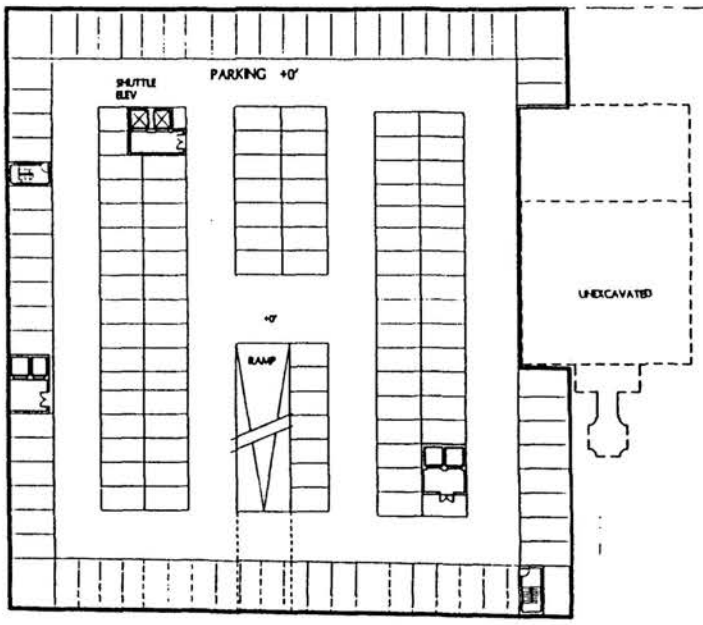
MILLENNIUM PARTNERS OF WASHINGTON, DC INC

PARKING -10'

SHALOM BARANES ASSOCIATES

GARY EDWARD HANDEL & ASSOCIATES


WISCONSIN AVENUE, NW
31ST STREET, NW
K STREET, NW
RETAIL
UNEXCAVATED
UNEXCAVATED
THEATERS
CONCESSIONS
RETAIL
RETAIL
RAMP
LOADING
SHUTTLE
390.26'
390.83'
GEORGETOWN INCINERATOR
WASHINGTON, D.C.
MILLENNIUM PARTNERS OF WASHINGTON, D.C. INC.
SCHEME W2
THEATERS +17'
SHALOM BARANES ASSOCIATES
GARY EDWARD HANDEL & ASSOCIATES




NOTE: TOTAL COMMERCIAL PARKING SPACES ON THREE LEVELS IS 300 SELF-PARK SPACES.

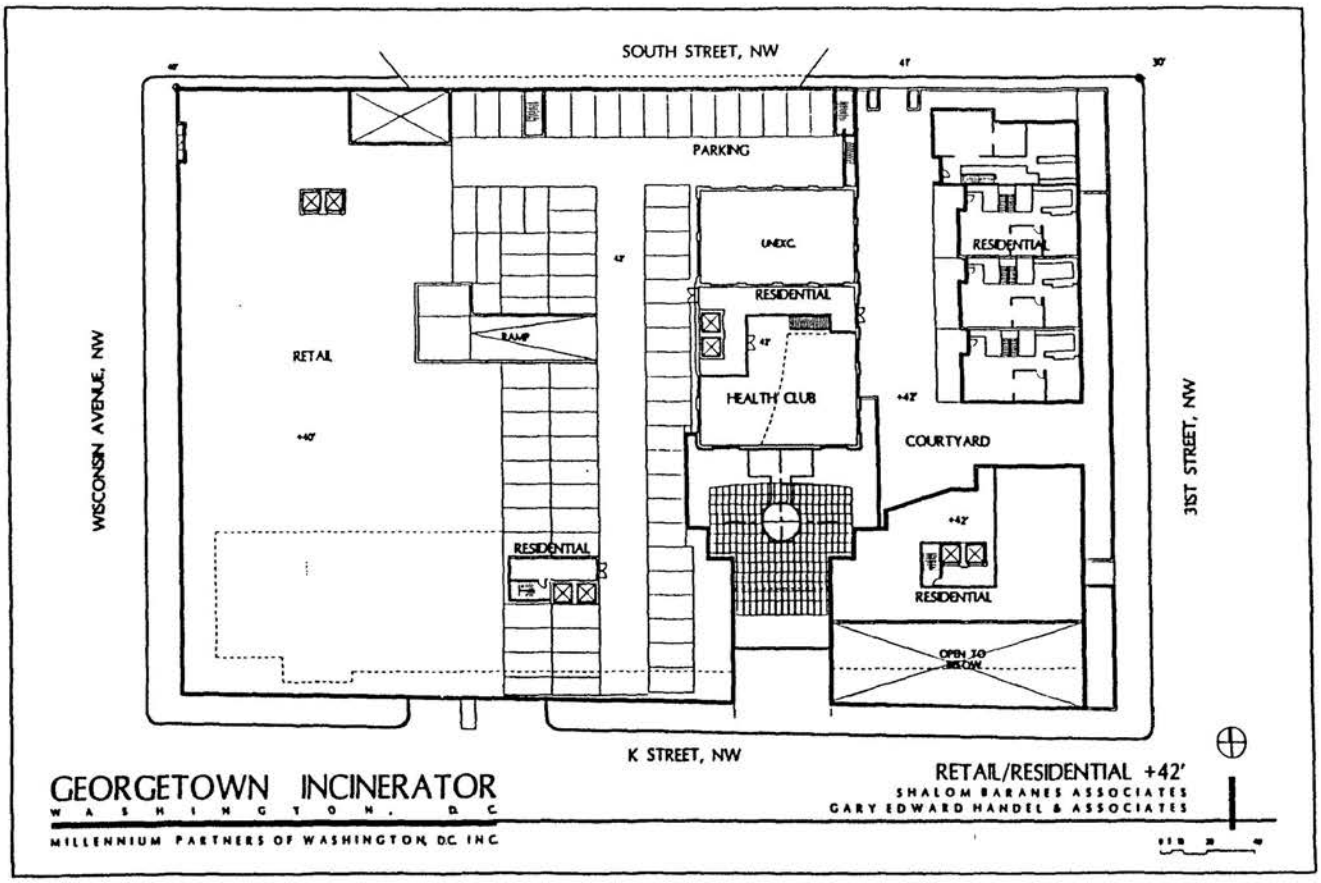
# GEORGETOWN INCINERATOR

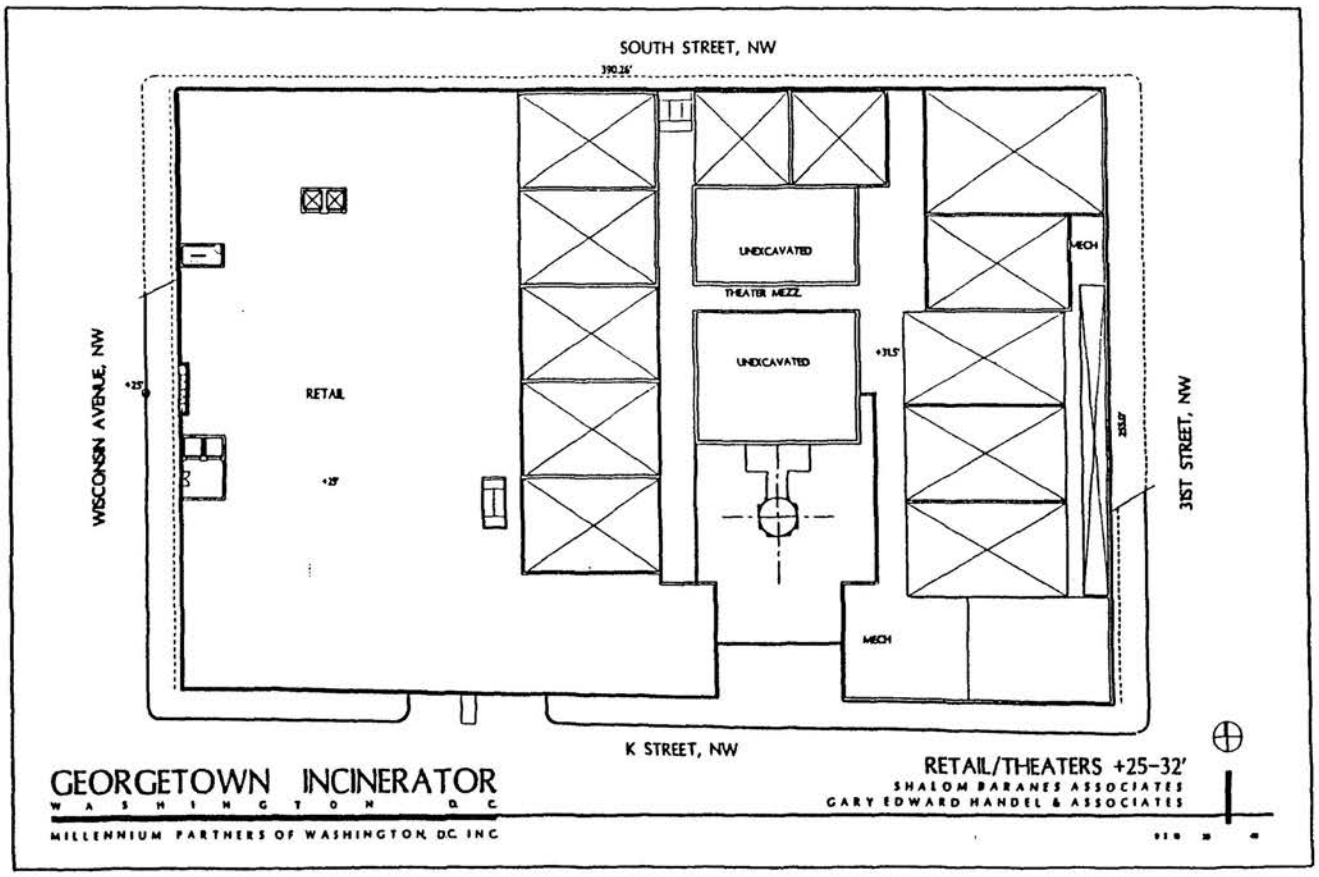
WASHINGTON, D.C.

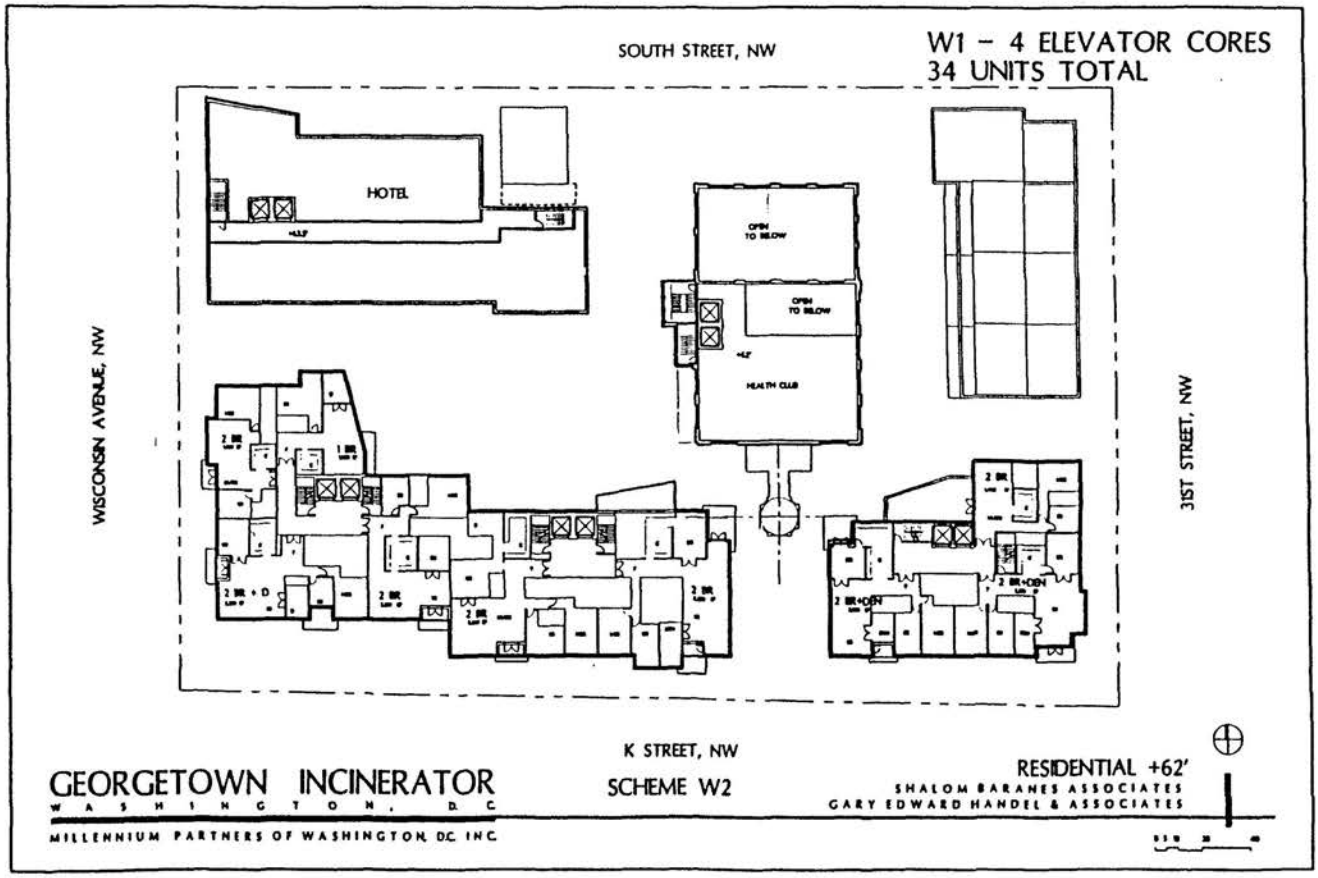
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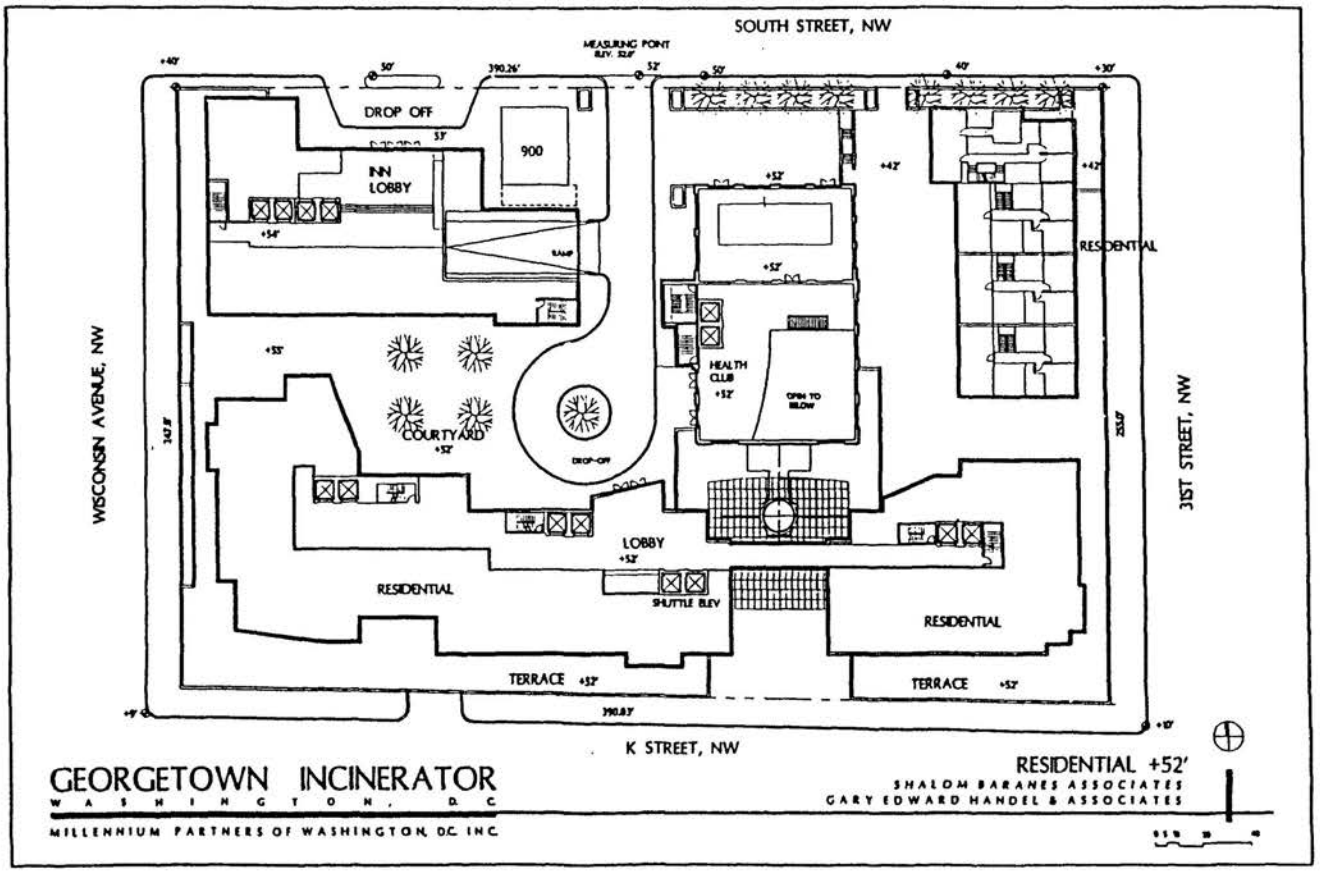
PARKING +0'

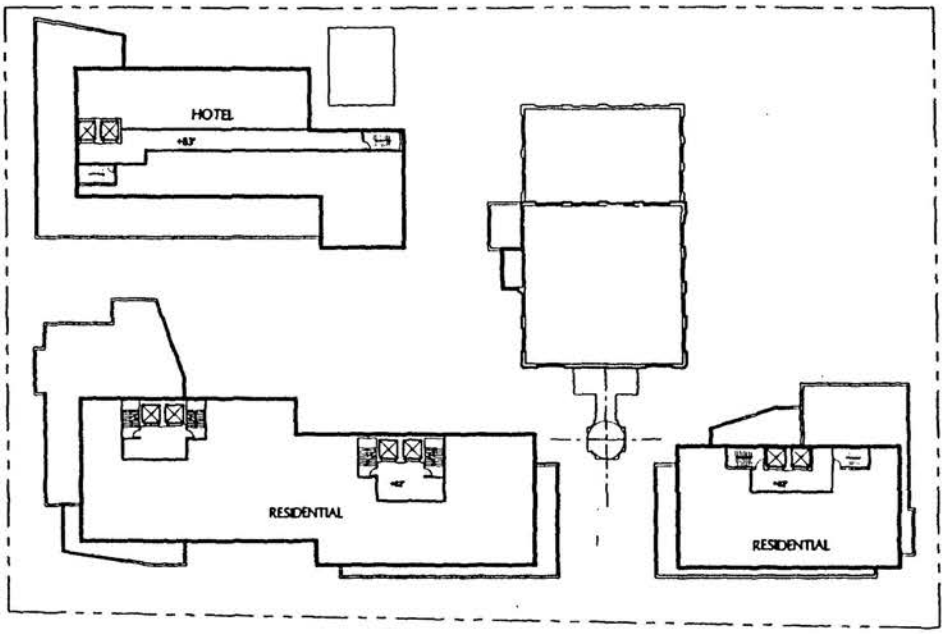
SHALOM BARANES ASSOCIATES
GARY EDWARD HANDEL & ASSOCIATES


SOUTH STREET, NW
PARKING
UNEXC.
RESIDENTIAL
RESIDENTIAL
RAMP
RETAIL
+40'
HEALTH CLUB
+42'
COURTYARD
WISCONSIN AVENUE, NW
31ST STREET, NW
RESIDENTIAL
+42'
RESIDENTIAL
OPEN TO BELOW
K STREET, NW
GEORGETOWN INCINERATOR
WASHINGTON, D.C.
MILLENNIUM PARTNERS OF WASHINGTON, DC INC
RETAIL/RESIDENTIAL +42'
SHALOM BARANES ASSOCIATES
GARY EDWARD HANDEL & ASSOCIATES


SOUTH STREET, NW
390.26'
WISCONSIN AVENUE, NW
31ST STREET, NW
K STREET, NW
RETAIL
+25'
+29'
UNEXCAVATED
THEATER MEZZ.
UNEXCAVATED
+31.5'
MECH
MECH
255.87'
GEORGETOWN INCINERATOR
WASHINGTON D.C.
MILLENNIUM PARTNERS OF WASHINGTON, DC, INC
RETAIL/THEATERS +25-32'
SHALOM BARANES ASSOCIATES
GARY EDWARD HANDEL & ASSOCIATES


SOUTH STREET, NW
W1 – 4 ELEVATOR CORES
34 UNITS TOTAL
HOTEL
OPEN TO BELOW
OPEN TO BELOW
HEALTH CLUB
WISCONSIN AVENUE, NW
31ST STREET, NW
K STREET, NW
GEORGETOWN INCINERATOR
WASHINGTON, D.C.
SCHEME W2
RESIDENTIAL +62'
SHALOM BARANES ASSOCIATES
GARY EDWARD HANDEL & ASSOCIATES
MILLENNIUM PARTNERS OF WASHINGTON DC INC.


SOUTH STREET, NW
MEASURING POINT
DROP OFF
900
INN
LOBBY
RESIDENTIAL
HEALTH
CLUB
OPEN TO
BELOW
COURTYARD
WISCONSIN AVENUE, NW
31ST STREET, NW
LOBBY
RESIDENTIAL
SHUTTLE ELEV
RESIDENTIAL
TERRACE
TERRACE
K STREET, NW
GEORGETOWN INCINERATOR
WASHINGTON, D.C.
MILLENNIUM PARTNERS OF WASHINGTON, D.C. INC.
RESIDENTIAL +52'
SHALOM BARANES ASSOCIATES
GARY EDWARD HANDEL & ASSOCIATES




# GEORGETOWN INCINERATOR

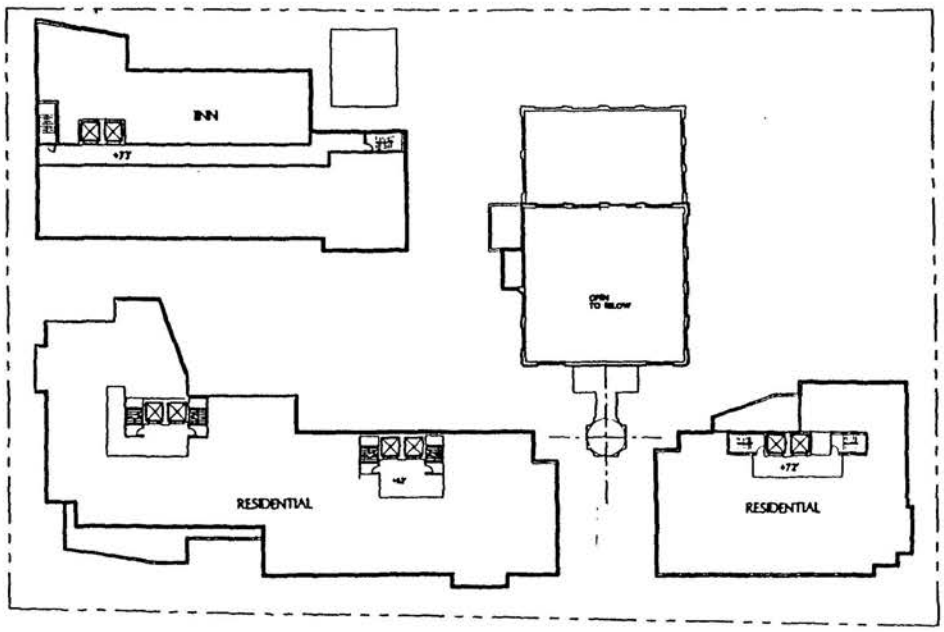
WASHINGTON, D.C

MILLENNIUM PARTNERS OF WASHINGTON, DC INC

RESIDENTIAL +82'

SHALOM BARANES ASSOCIATES

GARY EDWARD HANDEL & ASSOCIATES




# GEORGETOWN INCINERATOR

W A S H I N G T O N , D C

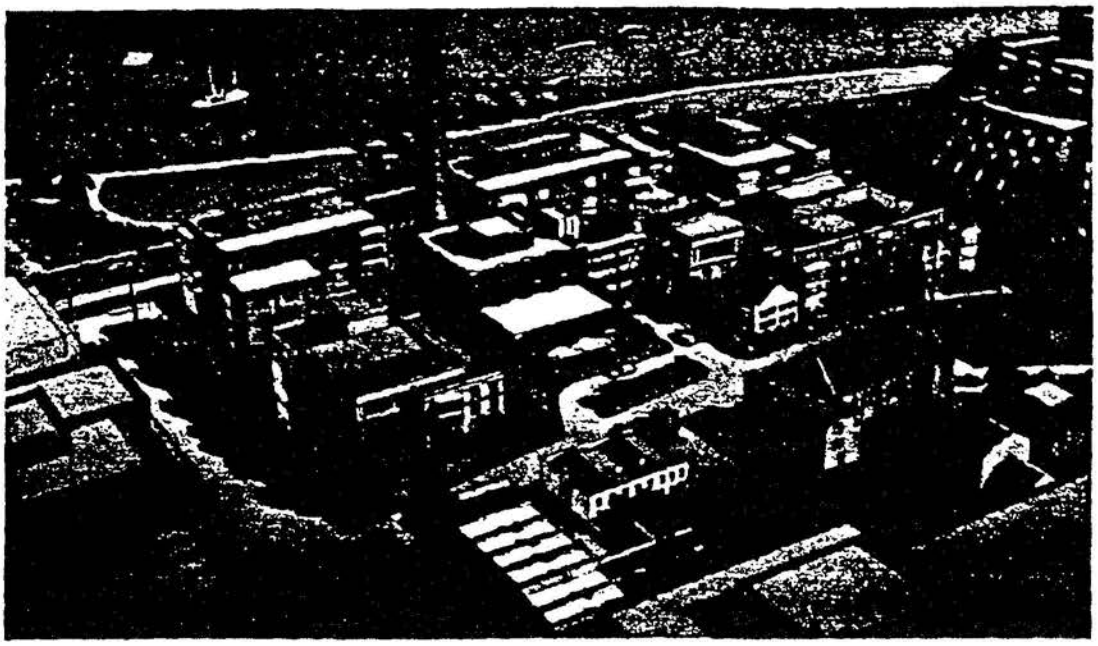
MILLENNIUM PARTNERS OF WASHINGTON, D.C. INC.

RESIDENTIAL +72'

SHALOM BARANES ASSOCIATES

GARY EDWARD HANDEL & ASSOCIATES

# GEORGETOWN INCINERATOR



**➢Location:** Georgetown, Washington, D.C. - Located in the midst of the historic waterfront, the Incinerator will provide a combination of highly detailed buildings designed to accommodate a mixture of residential and commercial uses in the heart of Georgetown.

**➢Description:** The project will retain the landmark smokestack and the Incinerator building, using it for the lobby of the hotel and for a restaurant, thus creating public access to the Incinerator building. In addition, there will be retail along virtually the entire street level on the Wisconsin Avenue and K Street sides, with the entrance to the multiplex arts cinema, the commercial parking garage and loading dock from K Street. The theaters and retail will occupy the space along K Street below the Whitehurst Freeway, with the residential and hotel space located above the Freeway. Along South Street, the historic Brickyard Hill houses will be retained, and there will be pedestrian and automobile access to the hotel and condominium units.

The project is designed to maximize a sense of openness, appropriate scale and light. There will be five smaller structures surrounding the Incinerator, with no new structures higher than the cornice line of the existing Incinerator building. Connections will be made from the outlying structures to the Incinerator through recessed, transparent enclosed bridges. The project will offer charming waterside views.

**➢Space Summary:**

| | |
|---|---|
| Residential: | 100,000 sf (approx. 30-45 condominium units) |
| Boutique Hotel: | 60,000 sf (approx. 100-125 suites) |
| Retail: | 70,000 – 80,000 sf |
| Theater: | 50,000 sf (approx. 1,800-2,200 seats) |
| Parking: | 400 commercial spaces; 58 residential spaces (566 total spaces with valet) |

**➢Retail:** Large contiguous floor space will be available for retail purposes.

**➢Delivery Date:** Fourth Quarter 2000

**➢Developer:** Millennium Georgetown Development, a joint venture of Millennium Partners of New York and Washington, D.C. based EastBanc, Inc.

**➢Leasing:** For leasing information, please call 202-737-1000.

EXHIBIT C

# AFFIRMATIVE ACTION PLAN AND PROGRAM
# MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C.

Prepared
28 July 1997

Affirmative Action Program

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# I. INTRODUCTION

Millennium Georgetown Development, L.L.C. ("MGD") is committed to a policy of equal employment opportunity and access to economic opportunities through a program of affirmative action. MGD, which makes this commitment, is briefly described in this Introduction.

MGD is a District of Columbia limited liability company. MGD is an entity comprised of Incinerator Development Corporation, a D.C. Corporation, the Manager of MGD, and Millennium Partners, L.L.C., a New York limited liability company. Eastbanc, Inc., has a twenty-five percent interest in Incinerator Development Corporation and Millennium Partners, L.L.C., has a seventy-five percent interest in Incinerator Development Corporation. The development team contains a strong and active group of local businesses, and individuals who are well-known, successful and well-respected in the Washington community.

The following sections describe the project, the organization, the Affirmative Action Plan and Program, and MGD's commitment to its successful implementation. David Wilmot will have the lead responsibility for the implementation, monitoring and reporting of the progress of this plan.

## II. THE INCINERATOR REDEVELOPMENT PROJECT

MGD proposes a low rise residential and theater project on the 1.25 acre site, one of the few remaining development sites in the District of Columbia. The Project will transform the site from a neglected block into a dynamic urban community. The Incinerator and smokestack will be preserved as a historically significant landmark and will be incorporated into the Project as a major design feature. The Project is designed to provide architectural transition from the predominantly low scaled townhouses on the north side to the contemporary large scaled commercial structures on the waterfront.

Located in the midst of the historic waterfront area of Georgetown, the Incinerator site provides a unique development opportunity to enliven this portion of Georgetown with a mixture of highly detailed buildings designed to accommodate a mixture of residential and commercial uses. The development would consist of arts theaters and several low rise residential buildings grouped around a plaza with the Incinerator and smokestack in the center. The theater portion would be built on 31st and K Streets, with parking in the inner core. The residential buildings would overlook the Whitehurst Freeway and offer exceptional views of the Potomac River. The Incinerator and companion low rise buildings to be built on South Street would be dedicated for residential use.

The plaza is designed to maintain the three dimensional sense of the Incinerator and to provide maximum visual access from several directions, all focusing on the

smokestack of the Incinerator. Like a church tower in a medieval town, the smokestack constantly orients the pedestrian locally while also providing strong visual identity for the development on a larger scale.

A unique aspect of this site is its transitional location from the predominantly federal, low-scaled residential townhouses to the north to the contemporary large-scaled commercial structures of the waterfront to the south. The Project has been designed to harmonize with the neighborhood. The existing residential townhouses along South Street are thus fronted by new residential structures; the retail, office and residential facilities along 31st Street are fronted by residential facilities in the new buildings.

The inclusion of a large urban plaza open to both the major elevation of the Incinerator and 31st Street retains a sense of openness and provides a focal point for the entire complex. Landscaping in the plaza will enhance the existing pedestrian quality of 31st Street. The plaza will become a beautifully landscaped urban space.

This development scheme proposes to save the Incinerator and its accompanying smokestack, and to interface with them at the north side with new construction. All the new construction will be confined to the northern and southern extremities of the site to enhance the sense that the Incinerator remains as a free standing structure. The location of the new buildings is designed to create a series of open spaces surrounding the Incinerator.

The exterior of the Incinerator will be carefully restored. The brick will be cleaned and repainted, the window sashes will be scraped and reglazed, the copper-infill panels will be restored and the building will be re-roofed. The interior of the building will also be renovated and adapted for residential use. New floors will be carefully inserted between the existing floors to align them with the existing fenestration pattern. New fire stairs and elevators will be added to meet building code and tenant requirements.

A major guiding principle in the design of the Project has been the requirement that the new buildings bear a close relation to the architectural design of the Incinerator but maintain their own clear and distinct identity. The new buildings will architecturally bridge the Incinerator's Deco styling and the more prevalent federal style of Georgetown by combining elements of both. The use of brick with intricate detailing, paned unit windows, ornamental ironwork at the balconies and major entry points and the variegated roof line will allow these buildings to take their places comfortably in this historic setting.

The plans of the building have been organized to take advantage of the sloping nature of the site. The lower subterranean levels step up the hill around the Incinerator in a fashion that will minimize excavation. These levels incorporate all the parking for the project, and allow direct access to each of the cores serving the commercial and residential sectors.

A significant aspect of this development is the careful manipulation of the heights

of the new buildings. The main roofs of all the new buildings are lower than the Incinerator's roof. Additionally, the buildings are stepped to conform to the height of the adjacent buildings' roofs.

The site plan has been developed to create major pedestrian access to the theaters' south side along K Street. Truck and parking access for the buildings' deliveries are contained in the southwest corner.

The project will be constructed over an estimated two year period commencing in Early Fall 1998 and ending in December 2000. Listed below are the estimated breakdowns of the two phases of construction of the project by phase and square footage and by component and square footage:

Estimated Square Footage By Component

| Component | Gross Square Footage |
|---|---|
| Parking (250 cars) | 121,500 |
| Residential | 115,000 |
| Theater | 33,500 |
| | 270,000 |

## III. DEVELOPMENT PARTNERS

The members of Millennium Georgetown Development, L.L.C., include Incinerator Development Corporation, the manager, and Millennium Partners, L.L.C. of New York ("Millennium Partners").

Incinerator Development Corporation, is composed of Eastbanc, Inc., a major Washington, D.C.-based real estate firm involved in many areas of real estate development, and Millennium Partners. Eastbanc's primary activities include urban mixed-use projects which combine office, retail and residential components and the restoration and development of historic structures in Georgetown. The Chairman of the Board of Eastbanc is Anthony Lanier.

Millennium Partners has a record of developing in excess of 1.8 million square feet of mixed use entertainment oriented developments in New York City, consisting of retail, extensive movie theaters, health clubs, and residential for sale and rent. In 1994, Millennium was selected by the San Francisco Redevelopment Authority to develop and control the last site at Yerba Buena Gardens, adjacent to the Moscone Convention Center, as a retail entertainment complex. Millennium is controlled by Christopher M. Jeffries, Philip E. Aarons and Philip H. Lovett.

David Wilmot, in conjunction with Diane Pratt, of DP Consultants, and The Sherman

R. Smoot Corporation will serve as manager for implementing and monitoring the Affirmative Action Plan and Program. DP Consultants and The Sherman R. Smoot Corporation (hereinafter "DP-Smoot") are minority-owned businesses.

MGD has already identified a number of potential local and area-wide SDBE participants in the pre-development phase of the Incinerator project, who bring to the development professional contributions and special insights growing out of the wide scope of their collective background in local and community affairs. Some of the potential participants are Engineering Design Group, Delon Hampton & Associates, ReSteel, Thomas L. Brown and A. Morton Thomas, which is women-owned.

## IV. OVERALL SCOPE OF THE AFFIRMATIVE ACTION PLAN

The objective of this Affirmative Action Plan ("AAP") is to ensure that local, small, disadvantaged, minority or women owned business enterprises ("LSDBE"), investors, and employees have an opportunity to share in the benefits that will occur as a result of the project.

The LSDBE participation requirements will affect MGD's employees, the construction contractors and subcontractors, professional support firms, tenants who will operate the arts theaters and their employees and suppliers.

The General Contractor in charge of construction will be required to put forth good faith efforts to meet the goals of the Affirmative Action Plan by securing bids from LSDBEs for both supplies and subcontracting needs. The subcontractors and vendors of supplies will be expected to comply with MGD's Equal Employment Opportunity Policy developed in conjunction with the Affirmative Action Plan.

MGD will be retaining professional support and consulting firms. These contractors will be required to put forth good faith efforts to meet the LSDBE and affirmative action goals as outlined in the plan.

## V. AFFIRMATIVE ACTION PURPOSE AND POLICY

The agreement between Millennium Georgetown Development L.L.C., and DP-Smoot underscores the organization's commitment to Equal Employment Opportunities. The aim of the association will be to further the interests of all of the people of the District of Columbia as follows: to create meaningful jobs for the people of the District of Columbia in connection with the construction of the Project; to provide the means by which the community at large and individual community groups may benefit from the Project; to provide the kind of business enterprises in the development which will produce the greatest number of jobs for the people of the District of Columbia; to enable the LSDBE community of the District of Columbia an opportunity to profit, become more competitive, and develop the expertise and opportunity to expand their businesses into other areas; to provide the means by which minority business-persons can share in a major mixed use development; and to create a significant and substantial increase in the tax base of the District of Columbia through maximizing the development potential of the site.

In issuing this Affirmative Action Plan and Program, MGD affirms its commitment and pledges its full support to equal employment opportunity (EEO) and non-discrimination for all persons, regardless of race, color, ancestry, sexual orientation, religion, sex or national origin in complete compliance with the Mayor's Order #85-85 as well as Mayor's Order #83-265. Recognizing that equal opportunity can only be achieved through demonstrated leadership and aggressive implementation of a viable Affirmative Action

Plan and program, our AAP sets forth specific affirmative action and equal employment opportunity responsibilities for contractors, subcontractors, tenants, and all employees. All employees are expected to make every reasonable effort to carry out their AAP responsibilities in spirit as well as in letter to assure that equal opportunity is available to all. We further expect all employees to demonstrate sensitivity to and respect for all other employees and to demonstrate a commitment to MGD's equal opportunity and affirmative action objectives.

## VI. GOALS OF AFFIRMATIVE ACTION PLAN

The goals of MGD's Affirmative Action Plan for LSDBE participation and employment are as follows:

1. Contracts for Professional and Technical Services: 25 percent of the total dollar value of all such contracts to LSDBEs.

2. Employment of Persons Providing Professional or Technical Services: 35 percent of professional or technical service persons to be LSDBEs.

3 Construction Contracting: 35 percent of the total dollar value of all construction contracts or subcontracts to LSDBEs.

4. Construction Employment: 50 percent of construction employees to be minorities; 10 percent of construction employees to be women.

5. Purchasing: 30 percent of the total dollar value of contracts for materials and supplies to local and area-wide SDBEs.

6. Other Employment: 35 percent of all employment and 35 percent of trainee positions to be minorities; the same goals apply to women; these are not mutually

exclusive goals and there may be some overlap. (Thus, a female employee, who happens also to be a member of a minority group, will be considered as part of the goal for employing minorities as well as the goal for employing women.)

In furtherance of these affirmative action goals, MGD has submitted a proposed Memorandum of Understanding to the Minority Business Opportunity Commission, which is included as Attachment A. MGD is currently in discussion with MBOC regarding possible modifications to this Memorandum.

MGD expects new permanent jobs to be created as a result of this project; more than 60% of which are expected to be filled by minorities and a minimum of 51% are expected to be filled by District residents. In addition, 51% of all trainees and apprentices employed will be District residents.

MGD will make every effort to see that the appropriate communities are targeted for maximum participation in the overall employment program. In furtherance of this effort, attached to this plan is a First Source Agreement executed by MGD (Attachment B). Community employment goals and other community programs are described in greater detail in MGD's Community Participation Plan.

MGD will work with community organizations, local businesses, educational institutions, training operations, and government programs to assure that our goals are

achieved.

## VII TIMETABLES

MGD's Affirmative Action Plan and Program will be carried out throughout every phase of the development including pre-development, construction, and post-construction management.

The pre-development phase of the project is approximately July, 1997 to September, 1998. The tentative project construction schedule is as follows:

| Date | Activity |
|---|---|
| Fall 1998 to Fall 1999 | Sheeting and Shoring Activities |
| Fall 1999 to Winter 2000 | Final Construction and Delivery |

## VIII. DESIGNATION OF RESPONSIBILITY

David Wilmot is responsible for developing the Affirmative Action Plans and the benefits program of the Community Participation. In addition, DP-Smoot will have the responsibility of implementing and monitoring the Plans, to ensure that the goals are met. MGD's Office of Minority Resources and Community Liaison ("OMRCL") has been established in Washington, D.C. under David Wilmot and Eastbanc's direction. The office is presently located at: 915 15th Street, N.W., Suite 400, Washington, D.C. 20005. Telephone 202-737-1000. The contact persons are David Wilmot and Anthony Lanier. In the future the office will be relocated to the area of the Incinerator site under the direction of David Wilmot, Eastbanc and DP-Smoot, so that it can expeditiously assist in serving the needs of the community.

The Sherman R. Smoot Corporation is a minority construction and construction management firm with over thirty years of experience in the District of Columbia. As part of its management services, Smoot develops and writes Affirmative Action Plans and implementation strategies. In many of its projects, such as the $68 million Homer Gudelsky Tower, at the Baltimore campus of the University of Maryland Medical system, it exceeded goals established under the Plan developed. In managing Affirmative Action Plans, Smoot has published quarterly newsletters, established outreach efforts and established a number of joint venture mentor/protégé relations to strengthen capacity in the M/WBE business community. Smoot is also responsible for Affirmative Action efforts

for the MCI Center which have provided for 35% participation by local certified LSDBEs on trade contracts and 51% hiring of DC residents.

DP Consultants, established in 1994, is a minority female-owned public and government relations consulting firm engaging in a wide variety of organizational development, affirmative action and promotional activities. DPC's services include: community and/or constituent outreach for consensus/support building; community program creation; facilitation of research and focus groups to assess community/public opinion; resource and employment development; and development/implementation of strategies for public affairs and media outreach communications. The president of DP Consultants, Diane Pratt, has twenty years of experience in facilitating relationships between public and private sector entities. Ms. Pratt is an experienced professional skilled in government affairs and community development with an emphasis on public policy determination, critical issues resolution and alliance structuring.

Together, these consultants bring 50 years of combined experience in LSDBE utilization and community/employment initiatives to the Incinerator project.

## IX. STRATEGY FOR MEETING GOALS

### A. Office of Minority Resources and Community Liaison

MGD has established an Office of Minority Resources and Community Liaison ("OMRCL"), directed by David Wilmot, to oversee both affirmative action and community participation goals and programs. This office has the function of working with contractors, lessees, government agencies and community groups to ensure that LSDBEs and District residents achieve maximum participation in the benefits of the Incinerator project. Major responsibilities of this office include:

(a) refinement of goals and standards for affirmative action in cooperation with the Minority Business Opportunity Commission and other relevant government agencies;

(b) review and monitoring of the process of contracting, hiring, purchasing supplies and services and, after Project construction, monitoring of leasing and Project operations to insure maximum possible participation for minority individuals and females and for LSDBEs;

(c) assist the general contractor in obtaining bonding for otherwise qualified minority and female subcontractors,

identifying items to be purchased or supplies to be bought, and matching this list with the SBA minority facilities inventory, listings from the National Minority Procurement Council, and other sources, maximizing the involvement of LSDBEs in construction management functions, and ;

(d) arrange with the SBA, and other appropriate governmental agencies to offer management seminars and technical assistance to qualify LSDBEs who may provide services to the Project;

(e) identify job training and work closely with the D.C. Apprenticeship Council, the D.C. Public Schools and Adult and Continuing Education Program, area colleges and universities and other local training facilities to provide meaningful training programs for women and minorities with a view to employment in connection with the Project. The OMRCL will also make specific recruitment efforts, both written and oral, directed at all minority and women's training organizations within the recruitment area;

(f) coordinate a public relations campaign to alert members of

minority groups and women to business opportunities in connection with the Project:

(g) identify and recruit potential minority and female employees at all levels, including management levels;

(h) assist the leasing and management consultant in recruiting minority tenants;

(I) assist in identifying LSDBEs to supply the Project's procurement needs;

(j) develop a manual to be submitted to all active contractors and subcontractors which includes minority and female participation and affirmative action standards to be met in connection with the Project and an outline of the participation and affirmative action planning process required. The manual will also suggest strategies that the entity may undertake in implementing the affirmative action standards;

(k) monitor the Developer's record to quantify achievement of minority and female recruitment goals and preparation of

periodic reports to the Department of Human Rights and Minority Business Development;

(l) preparation and distribution of a policy statement affirming the Developers' commitment to an Equal Opportunity Employment Policy;

(m) approach local minority banks regarding the establishment of a financing program for minority subcontractors, retailers and professional firms;

(n) identify and pursue public sector funding to assist minority entrepreneurs;

(o) ensure that employers involved with the project encourage their employees to assist in the recruitment of minorities and women for employment and provide afterschool, summer and vacation employment to minority youths and young women;

(p) maintain standing requests for additional referrals of minority and female workers with local unions, the Department of Employment Services, and other referral sources listed above,

until the minority and female employment commitments are met;

(q) ensure that employers involved in the project shall validate all qualifications, selection requirements, and tests in accordance with the guidelines of the Equal Employment Opportunity Commission, and that seniority practices, job classifications, qualifications, and the like do not have a discriminatory effect on minorities and women;

(r) confirm that all bid invitations issued in connection with the project include the standards set forth in this plan and that all subcontractors will adopt the standards and be bound thereby;

(s) attend contract negotiations between prime contractors and subcontractors, as well as pre-award meetings to ensure understanding of and cooperation with the project's affirmative action requirements;

(t) participate in job-site meetings to address affirmative action goals and subcontracting and EEO issues, and to solicit and/or recommend strategies for greater levels of participation;

(u) perform random site visits and reviewing daily head-count forms submitted by contractors to monitor achievement of goals, verifying accuracy of written reports and staying in communication with representatives of each contractor; and

(v) hold EEO review meetings with subcontractors that are failing to achieve the goals of the program.

In this development venture, the OMRCL will provide a full array of services in support of LSDBE participation in the Incinerator project: services which range from the identification of contracting opportunities and introduction of LSDBEs to developers, contracting agencies and general contractors, to such support functions as training and technical assistance in expanding bonding capacities, bidding, estimating, cost accounting and job scheduling. MGD will also require all employers to post the equal employment policies and review them with minority and female employees.

B. Dissemination of Affirmative Action Policy

1. Internal Dissemination

MGD's equal employment and training opportunities policies will be included in an employee handbook and policy manual. MGD also plans to publicize these policies in newsletters, annual reports and in union publications at regular intervals. To further

disseminate information on project employment and training, MGD will conduct staff meetings to thoroughly discuss and explain the Affirmative Action Plan and Program.

2. External Dissemination

o Recruiting Sources. Recruiting sources on a master list will be informed in writing of the organization's EEO/AAP policy and commitment. The master list will be reviewed annually to determine the effectiveness of the recruiting sources in referring a representative diversity of applicants.

A special list of minority and female organizations will be maintained. This list will be reviewed annually to determine its effectiveness as a recruitment source. MGD will inform these organizations of its EEO/AAP policy as well.

Job announcements will be regularly mailed to the recruiting sources and they will be actively encouraged to refer applicants and to assist in the implementation of the EEO/AAP policy. OMRCL also plans to enhance the results of its employment and training programs by directing a major portion of its recruitment efforts toward schools with substantial minority and female enrollments.

- Prospective Employees. On all written job announcements, or other communiques using MGD letterhead, the words "Equal Employment Opportunity/Affirmative Action Employer, M/F" will be included.

- Contracting Opportunities. Contracting opportunities will be publicized in appropriate news media and trade journals. A list of potential minority and female contractors and subcontractors will be maintained. These firms will be notified directly of contracting opportunities in their field. ORCA will also work with the Minority Business Opportunities Commission, utilizing its Directory of Certified Minority Business Enterprises, the National Association of Minority Contractors and others to help ensure participation by qualified LSDBEs. MGD will also notify and discuss its EEO/AAP policy with subcontractors and suppliers

- Advertising. In order to disseminate the project's equal employment and training opportunities at the local level, OMRCL will advertise in the news media, especially minority and female news media.

C. Training

Training programs will be an integral element in achieving MGD's affirmative action

goals. MGD will work in close cooperation with established training and pre-apprenticeship programs in terms of both providing training positions and employing training graduates. MGD will also participate and assist in any association or employer group training programs relevant to employee needs. Recruitment for MGD's training program will be designed for participation by minorities and women

On-the-job training in apprenticeship positions is expected to be available in numerous construction-related areas such as (a) carpentry, (b) plumbing, (c) masonry, (d) electrical work, (e) crane operations, (f) blueprint reading and (g) tile setting. All contractors and subcontractors with contracts of $500,000 or greater will be required to register with the D.C. Apprenticeship Council.

Additionally, MGD will provide on-the-job training positions in such management areas as (a) introduction to using a PC microcomputer, (b) using a PC to solve basic business problems, (c) developing a computerized data base, (d) conducting personnel evaluations of subordinates, (e) handling problem employees and (f) improving personnel productivity.

Special employment opportunities will also be provided under MGD's Youth Employment Program which is discussed in greater detail in MGD's Community Participation Plan.

D. Job Bank.

OMRCL will establish a job bank for the collection of information on the persons who have contacted them for employment. The job bank will keep records of those placed in positions in the project and those still available for employment. The job bank will maintain information on the numbers and types of jobs available during each phase of the project, as well as the level of job skills necessary and required for each job category. This list will be matched with job applicants in an effort to further MGD's affirmative action employment and training goals.

E. Certification.

In order to assure the success of the Affirmative Action Plan and Program, any business wishing to participate in the Incinerator project as a LSDBE must be certified by the Minority Business Opportunities Commission (MBOC) or a surrounding jurisdiction prior to contract award. OMRCL will provide assistance to firms that have not been previously certified in seeking such certification from MBOC.

In instances where no qualified local LSDBEs are available, OMRCL staff will solicit proposals from non-local LSDBEs. Such proposals must include information documenting the ownership status of the firm, such as a LSDBE, MBE or WBE certification from their locality. In such cases, OMRCL would seek a waiver from MBOC to permit these firms to participate in the project as LSDBEs.

## X. MONITORING SYSTEM

To facilitate the effort of meeting MGD's affirmative action goals, OMRCL will set up a database system which will enable it to maintain a strict monitoring and tracking system. This system will cover every aspect of employment and participation throughout the four phases of the development project.

The system will be divided into four main sections: one for each phase of the project. For each section the files will be continually updated. The following files will be included:

### 1. Business Enterprise Information

This file will contain information on the business enterprises participating in the project. It will first be broken down into two major headings: contractors and subcontractors. It will then be further categorized under service provided to the Incinerator project. This file will provide a control system for the contract amount and dollar percentage of each individual business enterprise participating in the project and the status of the business ownership. The general construction contractor will be required to submit a list of all subcontractors and suppliers participating in the project, to be updated quarterly. This list will be integrated into the monitoring system.

2. Employee Information

These files will be maintained for employees participating under contract agreements, as well as employees directly connected with MGD. An analysis of participation by and salaries of minority and female individuals and businesses by goal category will be maintained for the duration of the project. These files will also enable the OMRCL to continually inventory and evaluate all minority and female personnel for promotion opportunities. To obtain this information a workforce analysis sheet must be submitted by each business enterprise upon receiving a contract. (Attachment B is an example of the type of data to be contained in the workforce analysis sheet.)

The workforce analysis sheet will provide information on the business enterprise pertaining to the type of job or service the company will provide for the Incinerator project, the percentage of males, females and minorities in the company, the wage grade of each job category, and the job group and title.

The data obtained from the workforce analysis sheet, will serve as a basis for an utilization analysis of minorities or women in a particular job category. The OMRCL will use such an analysis to determine the areas of construction and non-construction employment where underutilization has occurred. (Attachment B provides a sample utilization analysis sheet.)

("Underutilization" is defined as having fewer minorities or women in a particular job

category than would reasonably be expected by their presence in the relevant labor market. Underutilization also means employing persons in jobs that do not make adequate use of their skills and training.)

3. Workforce Availability Analysis

The underutilization analysis, will be compared with an availability computation analysis. This computation analysis will provide data on the external community minority and women population, the unemployment rate for each group in the community, and the types of skills available in the workforce. The availability computation analysis will also provide a record of internal promotable, or transferable persons.

4. Recruiting Sources

A list of recruiting organizations will be maintained by the OMRCL. This list will ensure that MGD is using every available source to achieve their affirmative action goals. The data will include the numbers of persons presently participating in the project referred by this source, and the positions held by these individuals.

This database system will enable OMRCL to monitor the performance of contractors, subcontractors, and the Affirmative Action Plan and Program as a whole.

OMRCL will be responsible for continually updating this database system and

analyzing the conclusions of each file to determine the problem areas within the development project. Prior to implementation of each phase of the project, information from all files will be consolidated and combined to analyze the progress in meeting the goals, and to revise the strategy for meeting these goals in areas where minority and female participation percentages have not been reached.

The Director of OMRCL will discuss any problems relating to implementation of the program and achievement of the program's goals on an on-going basis with Eastbanc and DP-Smoot to ensure that every effort is made to reach MGD's affirmative action goals. The Director of OMRCL shall also ensure that the provisions of 4 D.C.M.R. § 1104 are complied with by all contractors and subcontractors.

5. Progress Reports

MGD will submit quarterly reports to the Department of Housing and Community Development, using the MBOC Questionnaire form or an equivalent form acceptable to the Department. Reports will be submitted no later than 30 days after the end of each quarter, following the signing of the Land Disposition Agreement. The quarterly reporting periods shall begin on January 1, April 1, July 1, and October 1.

MILLENNIUM GEORGETOWN DEVELOPMENT, L.L.C., a D.C. limited liability company

By: Incinerator Development Corporation, a D.C. Corporation, the Manager of MGD

By: _____
Anthony Lanier, Vice President of
Incinerator Development Corporation

By: _____
Philip Lovett, Vice President of
Incinerator Development Corporation