

Item # 6 – Applicant Response to a Time Limit on the Order

Please see the attached letter from the property owner's broker regarding the impact of either a denial or an approval with a time limit on the property owner.

A time limit is not appropriate in this case. Any expiration of an approval would, at the time of that expiration, end permission for a nonresidential use that has existed in this space since approximately 1850. It's one thing to time-limit a completely new use, but in this case, the time limit will work to expire a use that should continue to exist, at least as the retail use that it was built for 170 years ago. Denial or a time limit would cause the end of such use, causing the owner to renovate for residential use and remove the upstairs tenant (only one residence would be permitted on the property).

Such a time limit has an immediate impact on the current value of a property, regardless of that time limit period. The value of the use has a termination date, which causes uncertainty and diminished value due to the possible drop in income from the property along with the substantial outlay for a conversion to residential.

A time limit is also not appropriate because the proposed conditions are strong, measurable, and enforceable, and the enforcement, or the threat of enforcement, is sufficient to ensure that CYM will comply with those conditions, thereby limiting and preventing objectionable conditions.



To whom it may concern:

I am a commercial real estate broker with over ten years of experience facilitating hundreds of transactions in Washington D.C., specifically. An integral aspect of my job is interacting with different buyers and digesting feedback I receive on what factors of a commercial real estate opportunity are either in-demand or undesirable to various buyer profiles. I am also the broker for the owner of the property located at 3428 O Street, NW, which is the property in which Call Your Mother deli operates.

As it relates to 3428 O Street NW, it is my strong opinion that there will be considerable property value loss in the event Call Your Mother Deli's current BZA Application is denied, or their current Cof O is revoked. While the Property previously enjoyed rights as a legally nonconforming retail use, by virtue of its existence in that format since its original construction circa 1850, those nonconforming rights were effectively extinguished due to the current BZA-approved use as a Prepared Food Shop. A BZA denial would dictate that the Property must be converted to residential use – something it has never been.

It is crucial to understand that the ground-floor commercial use is unequivocally the highest and best use for the space. Any requirement by the District for the owner to repurpose the historic commercial space to residential use would not only be a loss for the community but also put an undue financial burden on the property owner for the renovation cost alone.

Similarly, any time limit or scheduled expiration of the current use approval would have a similar effect on the property's value. Investors will incorporate an increased risk factor into the asset and drastically reduce the price to compensate for their risk.

Regards,


ian.ruel@feldmanruel.com 2024.11.27.EDT

Ian Ruel
Managing Principal
Feldman Ruel
202.318.6844
iruel@feldmanruel.com