

BZA #19659 (FSMB, Inc.)

**Sheridan-Kalorama
Neighborhood Council**

Party Status Opposition

Wednesday, January 31, 2018

Board of Zoning Adjustment

District of Columbia

CASE NO. 19659

EXHIBIT NO. 130



Nancy Kuhn, Esq.

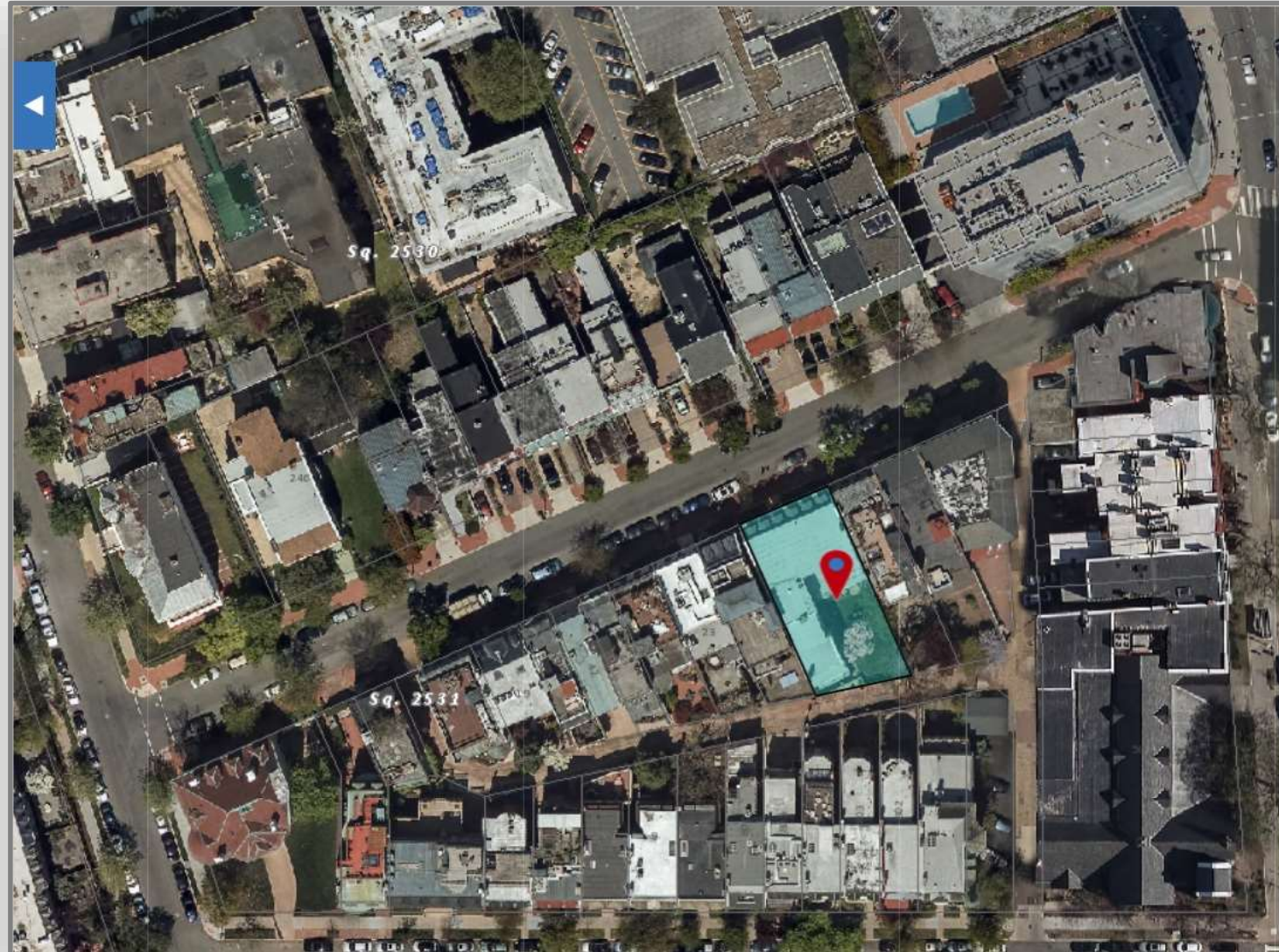
Organization, Non-Profit: An organization organized, registered with the appropriate authority of government, and operated exclusively for religious, charitable, literary, scientific, community, or educational purposes, or for the prevention of cruelty to children or animals; provided that no part of its net income inures to the benefit of any private shareholder or individual.

- Zoning Regulations' Definition is identical to the definition of a 501(c)(3)
- Both require the nonprofit be organized and **operate** exclusively for the public good through religious, charitable, literary, scientific, community, or educational purposes
- FSMB operates for the benefit of its members, and therefore, does not operate exclusively for the public good
- FSMB does not satisfy the Zoning Regulations' definition of "Organization, Non-profit"

Residential Nature of Sheridan-Kalorama

- For more than 60 years, the Sheridan Kalorama Neighborhood Council (“SKNC”) has worked to protect the residential nature of the neighborhood.
- There is an active market in reusing these buildings as residences
- Removing properties from residential uses permanently degrades the residential character of Sheridan-Kalorama

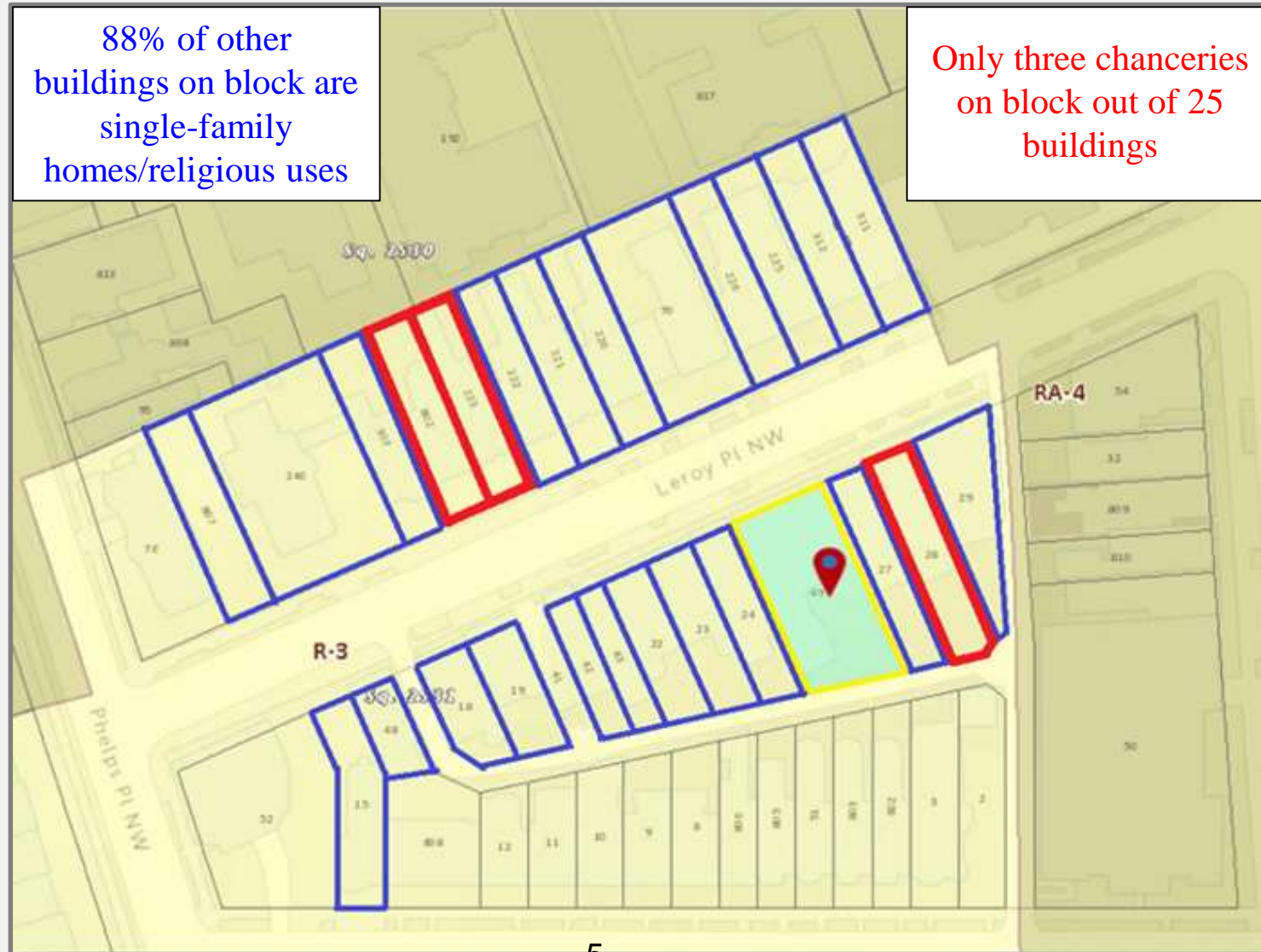
Aerial Image of Leroy Pl. NW



Residential Nature of Leroy Pl. NW

88% of other buildings on block are single-family homes/religious uses

Only three churches on block out of 25 buildings



Residential Nature of Leroy Pl. NW

211β Leroy Place NW	The Kenneth L Marks Living Trust	Single-family Residential
2115 Leroy Place NW	Grant Feigenhauer	Single-family Residential
2117 Leroy Place NW	The Leroy Revocable Trust	Single-family Residential
2119 Leroy Place NW	Philippe Donsier	Single-family Residential
2121 Leroy Place NW	Frederick W Guinee	Single-family Residential
2123 Leroy Place NW	Peter Bernard Robinson Trustee	Single-family Residential
2125 Leroy Place NW	Philip L Verveer	Single-family Residential
2127 Leroy Place NW	SSI International Corporation	Single-family Residential
2129 Leroy Place NW	Islamic Representative Mauritania	Chancery
2131 Leroy Place NW	Government of Nepal	Chancery
2137 Leroy Place NW	John Hurvitz	Single-family Residential
2141 Leroy Place NW	Ahmadiyya M Islam*	Matter-of-right Religious
2110 Leroy Place NW	Lubabitch Center of Washington**	Matter-of-right Religious
2112 Leroy Place NW	Republic of Guinea	Chancery
2114 Leroy Place NW	Marcus A Watkins	Single-family Residential
2118 Leroy Place NW	The Federation of State Medical Boards of the United States Inc.	N/A
2120 Leroy Place NW	David S Feigin	Single-family Residential
2122 Leroy Place NW	Richard V Moore	Single-family Residential
2124 Leroy Place NW	Embassy Trust & Peter J Chudyk Trustees	Single-family Residential
2126 Leroy Place NW	Martin Ravallion	Single-family Residential
2128 Leroy Place NW	American Gold Star Mothers Inc.***	Residential Mixed-Use
2130 Leroy Place NW	Ian Brenner	Single-family Residential
2132 Leroy Place NW	Paul K Nitze	Single-family Residential
2134 Leroy Place NW	DC Real Property LLC	Single-family Residential
2136 Leroy Place NW	Christopher K Chapin	Single-family Residential
1823 Phelps Place NW	Steven L Strawn	Single-family Residential
2137 Bancroft Place NW	Harold P Goldfield	Single-family Residential
TOTAL		22/25 = 88%

* Served a family for 20 years

** Family of seven was raised in building

*** Not used as an office

1832-34 Connecticut Ave. listing – available nearby office building

"Plug and Play" - L

\$100 Morton's Steak Gift Certificate for Qualified Tours leading to proposal

PROPERTY FEATURES

- 4 stories in each building with an abundance of Skylights and Windows providing natural light
- Large & Small Offices/Team Rooms, Numerous Conference Rooms and Full and Half Bathrooms
- Kitchens in Each Building
- Parking on site
- New elegant renovation
- New HVAC Systems
- Dupont Circle Metro 2 blocks South, Hilton and Marriott Hotels across the street

Floor	SF	Rent / NN
4th	1,307 - 2,918	\$39 - \$41
3rd	1,307 - 2,918	\$39 - \$41
2nd	1,307 - 2,918	\$39 - \$41
1st	1,307 - 2,918	\$39 - \$41

SUMMIT COMMERCIAL REAL ESTATE

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DUPONT CIRCLE METRO OFFICE SPACE FOR LEASE !!

1832 & 1834 Connecticut Avenue

"Plug and Play" - Lease a Floor (1,307 SF), 1 Building (5,228 SF), or Both Buildings (11,672 SF) !!

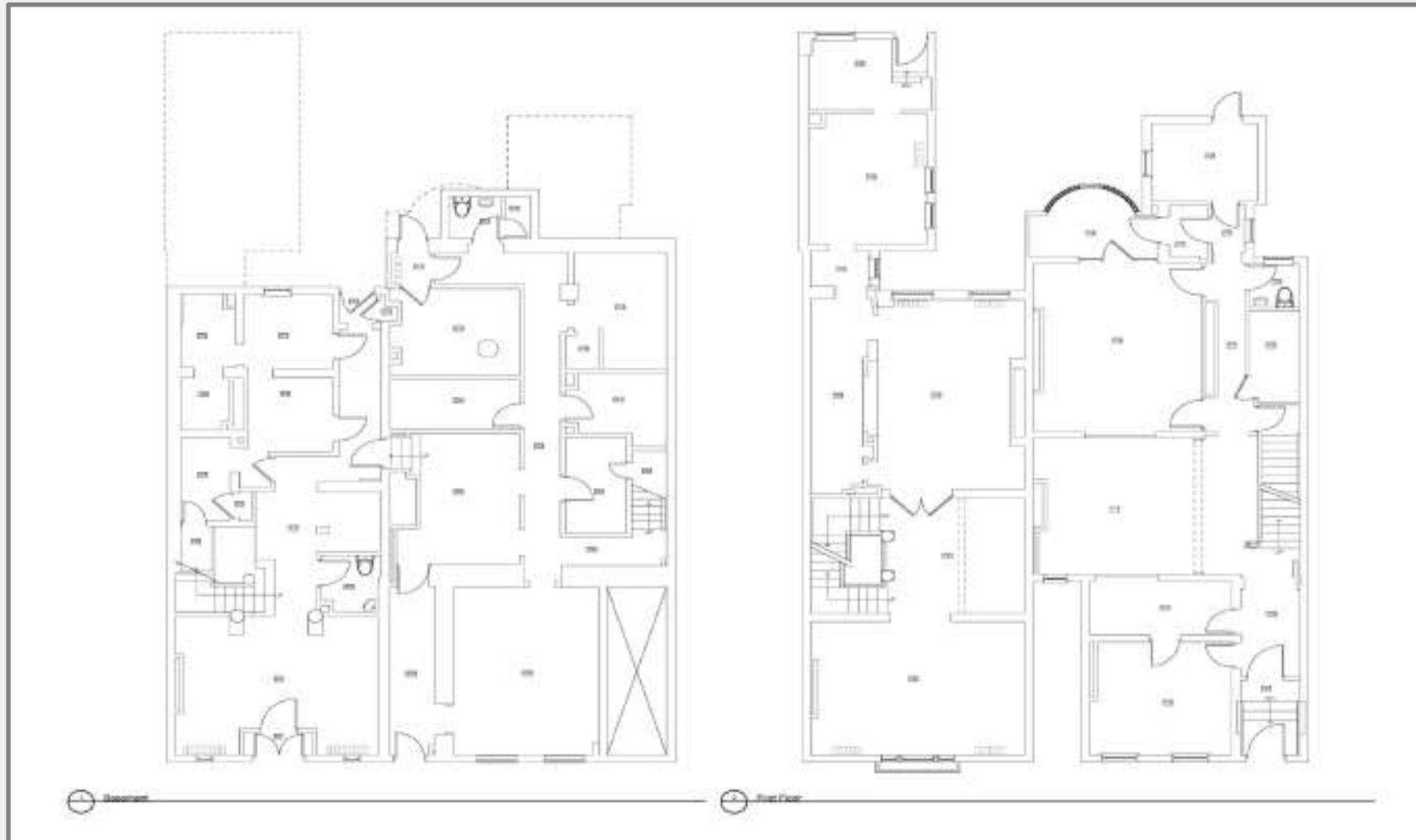
4th Floor Available= 1,307 – 2,918 SF

3rd Floor Available= 1,307 – 2,918 SF

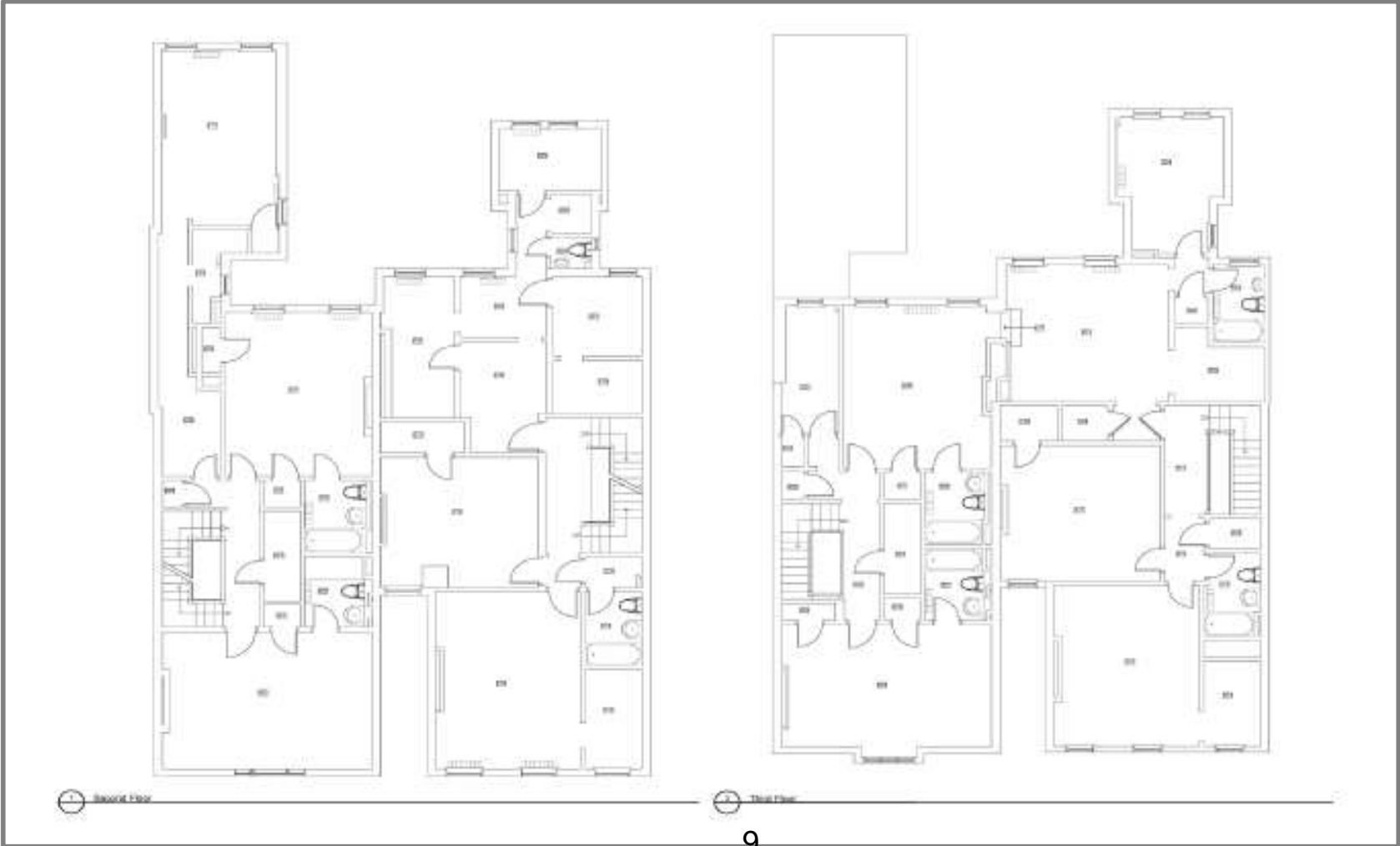
2nd Floor Available= 1,307 – 2,918 SF

1st Floor Available = 1,307 – 2,918 SF

1832-34 Connecticut Ave. listing – connecting floor plans to create 11,000+ SF office



1832-34 Connecticut Ave. listing – connecting floor plans to create 11,000+ SF office (cont'd)

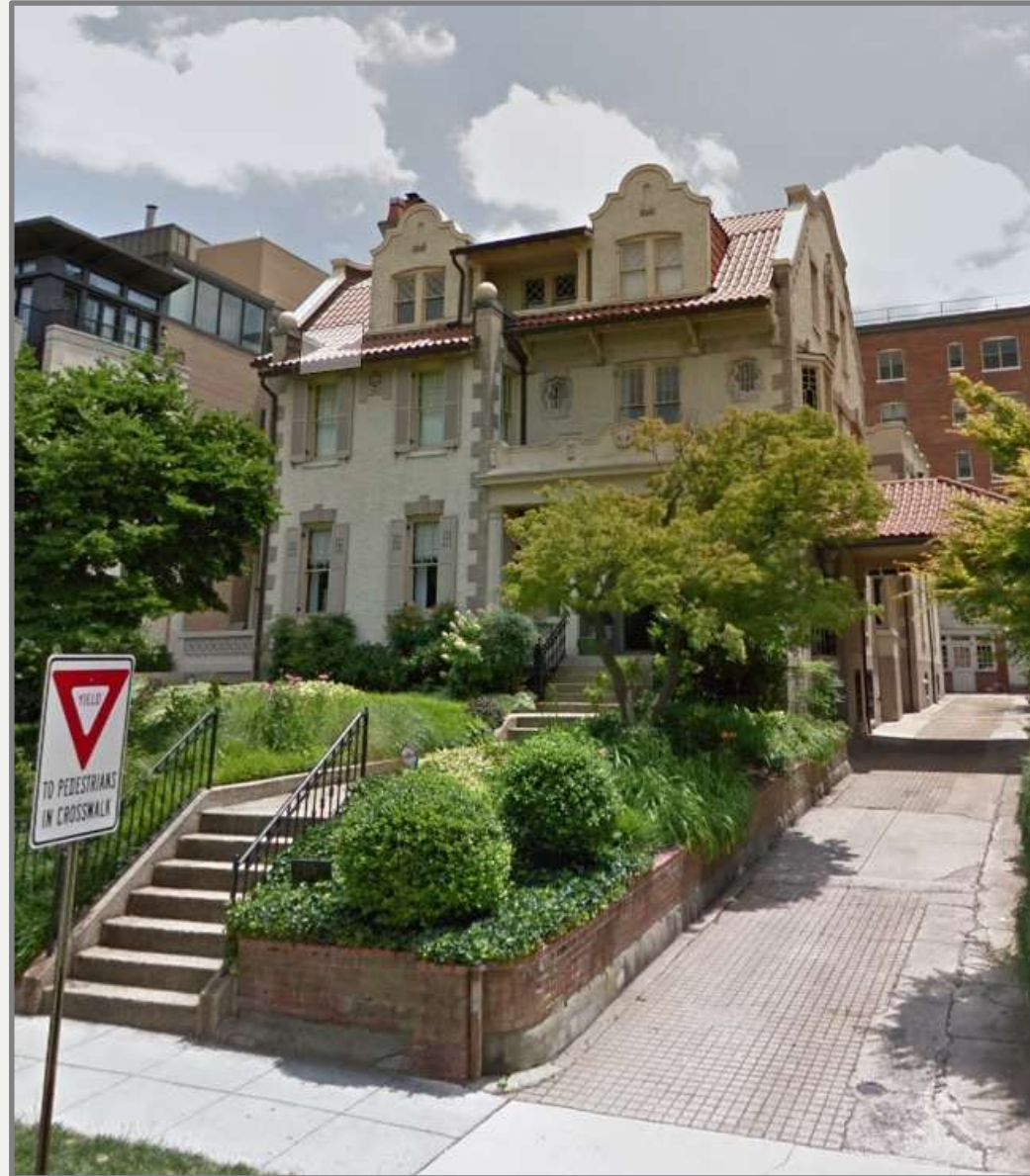


Similar properties now used for residential

Address	Seller	Prior Use	Current use
2310 Tracy Pl.	Govt. of Portugal	Offices	Single Family Residence
2121 R St.	Mariana Islands	Offices	Single Family Residence
1618 22nd St.	Central African Republic	Offices	Single Family Residence
2136 Bancroft Place*	Kingsbury School	Classrooms	Single Family Residence
2138 Bancroft Place*	Kingsbury School	Classrooms	Single Family Residence
2107 Wyoming Ave*	Field School	Classrooms	Single Family Residence
2126 Wyoming Ave*	Field School	Classrooms	Single Family Residence
1823 Phelps Pl.* (corner of Leroy & Phelps)	U.S. Govt	Surveillance	Single Family Residence
1809 Phelps Pl.	Kingsbury School	Classrooms	Single Family Residence
2320 S St.**	Textile Museum	Galleries	Being Renovated as Single Family Residence
Footnotes			
* All properties in the first block west of Connecticut, like 2118 Leroy.			
** Bezos Property, which makes clear that no assumptions may be made about the lack of a market for large properties.			

2126 Wyoming Ave. NW

(over 10,000 sq ft. GBA)





**2136 and
2138
Bancroft Pl.
NW**

(over 10,000 sq ft. GBA)

**2320 S St.
NW**

(over 10,000 sq ft. GBA)



Limited use of chancery after 2007



- Colombian use diminished over time
- 2-3 employees since 2007

Building in good condition; residential in layout



Building in good condition; residential in layout



In July 2017, property was subject of a “bidding war”

2118 Leroy Pl NW
Washington, DC 20008 (Kalorama Heights)
Contact For Estimate

Home Details

Overview

Townhouse	241 views
6 Baths	
Built in 1908	
223 days	

Description

NEW LISTING! Grand Kalorama mansion w/private garden and 2-car garage parking. Unusually large property measuring just under 50' wide and 11,813SF on 4 levels. Previously used as an embassy/ currently set up as offices, this property could be a spectacular residence. The huge foyer boasts a beautiful curved staircase, leading to light filled upper levels. Fully finished basement with two exits.

Property Taxes and Assessment

Year	N/A	
Tax	N/A	
Assessments		
	Land	N/A
	Improvements	N/A
	Total	N/A

Property Details for 2118 Leroy Place Northwest

Interior Features

<p>Bathroom Information</p> <ul style="list-style-type: none"> 1st Lower Floor Baths (Full): 2 Main Floor Baths (1/2): 1 1st Upper Floor Baths (Full): 1 1st Upper Floor Baths (1/2): 1 2nd Upper Floor Baths (1/2): 1 	<p>Bedroom Information</p> <ul style="list-style-type: none"> 1st Lower Floor Beds: 2 1st Upper Floor Beds: 9 2nd Upper Floor Beds: 8 Main Floor Beds: 8
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Parking / Garage, Listing Information

<p>Parking & Garage</p> <ul style="list-style-type: none"> # of Garage Spaces: 2 	<p>Listing Price Information</p> <ul style="list-style-type: none"> Original Price: \$3,500,000
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Details provided by MRIS and may not match the public record. [Learn More.](#)

FSMB Inc. paid \$650,000 over asking price

DC.gov Office of Tax and Revenue

Home Services Individual Income Tax Business Tax Real Property Recorder of Deeds Forms Customer Survey About

CFO HOME

TAXPAYER SERVICE CENTER

REAL PROPERTY SERVICES

- Property Tax Bills
- Property Tax Rates and Calculation
- Property Assessment Process
- Property Assessment Appeals
- Tax Relief Credits
- Search Real Property Sales Database
- QTR Real Property Web Map

Property Detail

Address: 2118 LEROY PL NW
SSL: 2531 0049

Record Details			
Neighborhood:	KALORAMA	Sub-Neighborhood:	A
Use Code:	85 - Embassy, Chancery, etc.	Class 3 Exception:	No
Tax Type:	TX - Taxable	Tax Class:	002 - Commercial
Homestead Status:	** Not receiving the Homestead Deduction		
Assessor:	ROBERT GONZALES		
Gross Building Area:		Ward:	2
Land Area:	5,124	Triennial Group:	1

Owner and Sales Information	
Owner Name:	THE FEDERATION OF STATE MEDICAL BOARDS OF THE UNITED STATES INC
Mailing Address:	400 FULLER WISER RD; EULESS TX76039-3857
Sale Price:	\$4,150,000
Recordation Date:	08/03/2017
Instrument No.:	85178
Sales Code:	MARKET
Sales Type:	I-IMPROVED

Tax Year 2018 Preliminary Assessment Roll		
	Current Value (2017)	Proposed New Value (2018)
Land:	\$845,460	\$845,460
Improvements:	\$2,433,680	\$2,522,240
Total Value:	\$3,279,140	\$3,367,700
Taxable Assessment: *	\$3,279,140	\$3,367,700

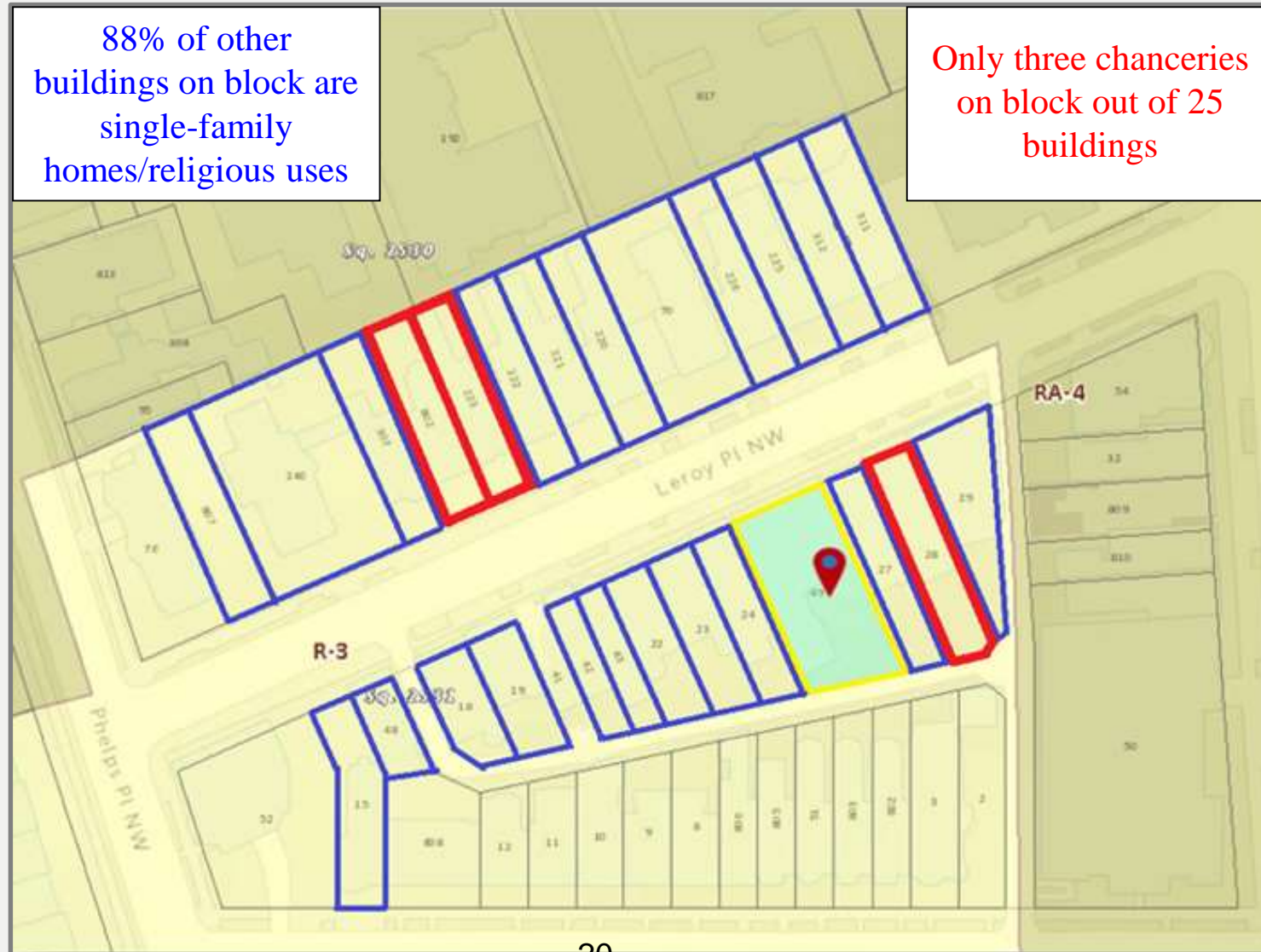
Couple wanted to use the property as residential

9. Ms. Bergstrom returned my call on November 22, 2017, as promised. I identified myself as a neighbor and an executive officer of the Sheridan Kalorama Neighborhood Council. I asked how the **\$650,000** premium over the asking price came about. The following exchange ensued.
 - Ms. Bergstrom said the price rose so much because there were **“multiple offers.”**
 - I said, “So there was a bidding war?”
 - She replied, **“Yes, there was a bidding war.”**
 - I asked about the interests of the bidders.
 - She answered that **she and her daughter** recalled that there were **three bidders**, including:
 - (1) **A couple who were interested in the property as a residence.**
 - (2) A private individual from San Francisco
 - (3) FSMB
10. Ultimately, FSMB outbid the other two residential contenders, with the plan to locate its office in the building.
11. The fact of the **multiple offers to purchase the property, including expressly one—and probably two—for residential use** directly refutes FSMB’s stated in its “Statement in Support of Special Exception Relief” that the prior office configuration for the Colombia Embassy “renders the property less than ideal and makes it unlikely that the Property would be used as a single family residence(p.6).”

Residential Nature of Leroy Pl. NW

88% of other buildings on block are single-family homes/religious uses

Only three churches on block out of 25 buildings



FSMB, Inc.: intensive and extensive uses

The Federation of State Medical Boards

Representing the 70 medical boards of the United States and its territories.

The Federation of State Medical Boards (FSMB) is a national nonprofit representing the 70 medical and osteopathic boards of the United States and its territories. Since its founding, the FSMB has grown in the range of services it provides – from assessment tools to policy documents, from credentialing to disciplinary alert services – while continuing to serve the interests of its member boards. The ultimate objective is to promote excellence in medical practice, licensure, and regulation as the national resource and voice on behalf of state medical boards in their protection of the public.

The Federation of State Medical Boards

FSMB serves as a unifying voice and advocate for the nation's state medical boards.

Working from offices in both Texas and Washington, D.C., the FSMB helps state medical boards by monitoring legislation, shaping policy, providing data and information and serving as general resource to state-board elected leaders and staff. FSMB staff offers a wide range of tools and resources to help state boards, including communications and advocacy materials, support for research and educational initiatives through the FSMB Foundation, and publications such as the peer-reviewed Journal of Medical Regulation.

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(<http://www.fsmb.org/>).



(<http://www.linkedin.com/company/federation-of-state-medical-boards>)



(<http://twitter.com/theFSMB>)

FSMB, Inc.: Wealthy Business League

		7b	
b Net unrelated business taxable income from Form 990-T, line 34			0
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 468,065	Current Year 243,793
	9 Program service revenue (Part VIII, line 2g)	44,414,138	42,062,925
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	841,035	-160,376
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	620,939	561,246
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	46,344,177	42,707,588
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	14,949,289	15,809,304
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	26,907,927	26,438,041
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	41,857,216	42,247,345
19 Revenue less expenses Subtract line 18 from line 12	4,486,961	460,243	
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	36,622,706	41,542,162
	21 Total liabilities (Part X, line 26)	12,686,810	17,614,430
22 Net assets or fund balances Subtract line 21 from line 20	23,935,896	23,927,732	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which

FSMB, Inc.: Encourages members to visit DC Offices

book, *Responsible Opioid Prescribing*, which was widely distributed by medical boards and quickly became a recognized authoritative resource for physicians in confronting problems associated with the evaluation and treatment of chronic pain. An expanded and revised second edition, *Responsible Opioid Prescribing: A Clinician's Guide*, was released in print and e-book formats in 2012. Dr. Fishman is Past President of the American Academy of Pain Medicine, and is author of *The War on Pain* and *Listening to Pain*, coauthor of *Spinal Cord Stimulation*, and coeditor of *Bonica's Management of Pain and Essentials of Pain Medicine and Regional Anesthesia*.

John H. Clark, MD Leadership Award

In recognition of his leadership in the field of medical licensure and discipline, the John H. Clark, MD Leadership Award is presented to **W. Eugene Musser, Jr., MD.**



Dr. Musser has been a member of the Wisconsin Medical Examining Board since 2004. He was elected by his colleagues as Board Chair for a remarkable three consecutive terms, 2007 to 2009. Under Dr. Musser's tenure, the board took an active role in initiating legislation that created a duty for physicians to report their colleagues' unprofessional conduct. Effective in 2010, the new law expanded reporting obligation for providers licensed by the medical board and expanded the definition of unprofessional conduct to include failure by a physician to report such conduct. Dr. Musser was also the principal architect in securing a separate



Ameringer, PhD, JD.

Dr. Ameringer, a professor of Government and Public Affairs at Virginia Commonwealth University, has conducted extensive research about state medical boards, the health professions, delivery systems and health care workforce issues. He is the author of *State Medical Boards and the Politics of Public Protection*, *The Health Care Revolution: From Medical Monopoly to Market Competition* and, most recently, *State-based Licensure of Telemedicine: The Need for Uniformity but not a National Scheme*. From 1987 to 1992, Dr. Ameringer served as assistant attorney general and deputy counsel to the Maryland health department where his responsibilities included oversight of disciplinary actions before Maryland's health licensing boards and commissions. He has served on health policy task forces in Maryland, Wisconsin and Virginia.

Ray L. Casterline Award for Excellence in Writing



The 2013 award is presented to **Gretchen P. Kenagy, PhD, et al.**, for their outstanding article, "Physician Reentry into Clinical Practice: Regulatory Challenges," published in the FSMB's *Journal of Medical Regulation*. Dr. Kenagy is Senior Research Associate, Medical

Regulation in the field of medical licensure and discipline, and specifically to state medical boards, the Award of Merit is presented to **Carl F.**

ton, D.C.-based federal and state advocacy, government affairs and policy team is moving its offices to a new location. Effective immediately, contact information for the new office is: **1300 Connecticut Ave NW, Suite 500, Washington DC 20036; (202) 463-4000.** Email addresses for individual FSMB Washington office staff have not changed.



The move to a permanent location solidifies the FSMB's commitment to providing state medical boards a voice in Washington, D.C. Since opening the first office in 2009 with one staff member, the FSMB's Washington office now has five staff members addressing state and federal policy issues impacting state medical boards. The new space has offices for FSMB staff, guest office space, an en suite conference room, and access to conference facilities for larger meetings. It is conveniently located in Dupont Circle, a short distance from the White House and just a few blocks away from many cultural and historic attractions. **FSMB members are encouraged to visit the new offices whenever they are in Washington.**

State-level Legislative Resources Available for Medical Boards

The FSMB's Washington, D.C.-based advocacy, government affairs and policy team is available to assist medical boards in achieving their legislative initiatives and priorities. Services provided by the FSMB include, but are not limited to:

FSMB, Inc.: Adverse impacts to neighbors

Staff comings and goings for 25 FTE's specifically employed to host, entertain, visit, and meet with members, leading to:

- numerous vehicular trips (taxi/Uber) causing noise, pollution, light and health impacts due to inevitable cars idling and queuing, creating backups, bottlenecks, illegal/double parking
- need for support services – deliveries, catering, landscaping, cleaning etc.
- a safety threat to pedestrians due to high number of curb cuts

Transportation Impacts



Leroy Place NW is a narrow residential street.

- no off-street parking
- no alley parking

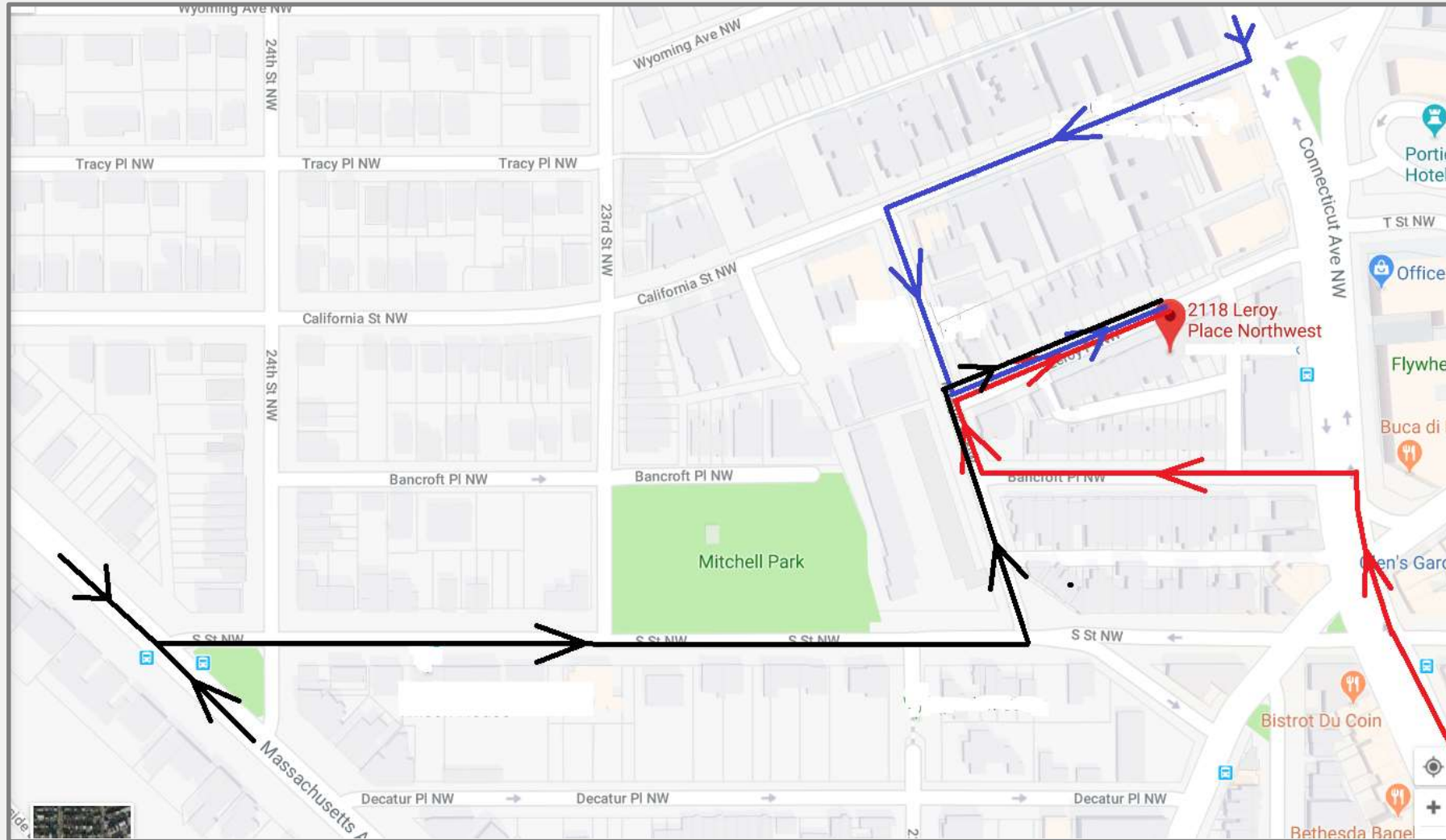
Narrow Alley



Example of double-parked delivery trucks



2118 Leroy Pl. NW – difficult to access



Vehicular traffic will need to circuitously use residential streets = **Circulation impacts throughout the neighborhood**

Ellen McCarthy Land Use Expert

- Understanding the Site
- Context for Special Exception Rule
- Case Does Not Meet the Conditions for Granting the Special Exception



First, look closely at the area

Sheridan-Kalorama is an historic, low-density, single-family neighborhood



Threats to Residential Character



- Been uniquely threatened by presence of chanceries, Diplomatic Overlay
- Vigilance of SKNC and support by OP
- Recognized by change in zoning in 2016 Regs

S-K – Residential Market Has Rebounded



Historic Tudor Home for Obamas



Generalized Land Use Policy Map Calls for No Change in Character

Comp Plan designates
Sheridan-Kalorama A
Neighborhood
Conservation Area



Special Exception Context

- ZC Order – 1973-74
- Continuing flight from the District
 - 1950 – Population is 802,000 9th largest city in America.
 - 2000, Population is 572,000
 - **Between 1970 and 2000, DC lost 25% of its population**

SE – Purpose to Prevent Vacant Historic Houses – ZC#83

WHEREAS, It is in the public interest to provide for the continued use and maintenance of large residential buildings within historic sites and districts, and it is in the public interest to maintain and preserve large residential buildings of historical and architectural significance which are not within historic sites and districts; and

WHEREAS, There are instances where continued use as residences of such large buildings is no longer assured, leading to their delapidation and destruction; and

WHEREAS, Application of current Zoning Regulations will not accomplish the purposes set out above; and

WHEREAS, Buildings of such nature have gross floor areas in excess of 10,000 square feet;

AND WHEREAS, The use of such buildings for nonprofit organizations is an appropriate means of providing for the preservation of such buildings, thereby promoting the public health and general welfare;

NOW THEREFORE, It is hereby ORDERED that the District of Columbia Zoning Regulations be AMENDED, as follows:

ZC Intent to Limit Conversions of Residential to Office

- Even despite population loss, ZC places limits on conversion of large houses
 - Must be historic landmarks or contributing buildings in historic districts
 - Must be at least 10,000 sf
 - Conversion limited to non-profits, no general office allowed

Trade Associations Have Ample Choices of Locations

- Office market is at historically soft levels - 11.7% vacancy rate
- Converting housing to office bad public policy

OFFICE RBA INVENTORY ¹	NET ABSORPTION ²	OFFICE VACANCY RATE ³	OVERALL AVG. ASKING RENT ⁴
123.9M	77,218	11.7%	\$54.47
<small>Square Feet (Q3 2017)</small>	<small>Square Feet (Q4 2016-Q3 2017)</small>	<small>DIRECT VACANCY (Q3 2017)</small>	<small>FULL SERVICE (Q3 2017)</small>

Source: Washington DC Economic Partnership
DC Development Report, 2017

Proposed Conversion – Adverse Impact

- Harms the integrity of the zone plan
- Threatens the residential character of the neighborhood and reverse positive trend of conversions of chanceries back to housing
- Would allow trade associations to routinely outbid residential buyers – analogy to R-4 pop-up limits and limits on residential use in industrial zones

Other Adverse Impacts

- Empty, dark buildings on nights and weekends
- Traffic
 - Catering trucks, Loading/garbage
 - Visitors
- Parking – not enforceable
- Conditions not sufficient, plus they are unenforceable, put burden on residents

Special Exception Should Be Denied

Doesn't meet even the **basic** criteria of the Special Exception

- No proof it “exceeds 10,000 sf”
- Proposed use doesn't meet zoning definition of nonprofit

Special Exception Should Be Denied

Even if case met basic criteria, SE is not justified

- Clear evidence that residential demand is strong – no threat that building will be vacant and dilapidated
- Permitting business association to convert residence
 - Destabilizes residential market
 - Further aggravates surplus in commercial office market
 - Undermines integrity of zone plan

Special Exception Should Be Denied

Adverse Impacts on Neighboring Property

- Alley inadequate for loading, trash pickup, catering for gatherings & meetings, commercial cleaning
- Building dark & inactive nights and weekends
- Narrow street will be congested by taxi, shared-ride pickups & drop offs
- Parking limit can't be enforced