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Shining a light on the development at
1st and Kennedy Streets NW



Board of Zoning Adjustment
District of Columbia
CASE NO.21103
EXHIBIT NO.64A



by **Sacha Haworth**

Long reported and long awaited, the property on the northeast corner of 1st and Kennedy Streets NW in the Manor Park neighborhood – the now-called “71 Kennedy” – will soon be developed. This is despite community concerns about the proposed development changes, such as the developer’s decision to remove the promised first-floor retail component. Neighbors have been scarred by [the treatment of La Coop Coffee](#), when Coloma River LLC and its owner **Charles Paxton Paret** had tried to illegally evict the locally owned shop on election night 2020.



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In a [recent community meeting](#) with ANC 4B, held to assuage these concerns, current property owner **Mel Negussie** of Developer RE1 LLC asserted that “Coloma River has nothing to do with this property.” **Alison Brooks**, the Chair of ANC 4B and whose single member district 4B08 is where the development is slated to occur, said at the meeting, “We don’t want to work with Charles Paret.” And while the ownership of 71 Kennedy appears to have moved on from Coloma River on paper, the shadow of its previous owner remains.

A review of DC corporate filings, property and deed records, as well as interviews with Negussie and people familiar with both Paret’s and Negussie’s projects, reveals that Negussie and Paret until recently worked together on a series of joint projects up and down the Kennedy Street corridor, including 5505 1st Street, 71 Kennedy St, 423 Kennedy St, 429 Kennedy St, 201 Kennedy St, and 4910 Georgia Ave. Each of these projects involved their own LLC (in some cases multiple LLCs), and some resulted in lawsuits where both men were named as co-defendants.

In 2017, the lots that now make up the 71 Kennedy project, previously 5501 1st Street, 5505 1st Street and 67-71 Kennedy Street NW, were purchased by “5505 1st Street Holdings LLC” and “71 Kennedy Street Holdings LLC,” — both owned by Coloma River Capital.



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Satellite view of 1st and Kennedy Streets NW (Apple Maps)

In late December 2021, a year after the attempted La Coop eviction, Paret transferred ownership of these LLCs to Negussie. Paret had allegedly been telling people for years he was short of cash and was going to be filing for bankruptcy.

Using choreographed dance steps only real estate developers and their attorneys seem to understand, Coloma River, through its various holding companies for the different projects, transferred the ownership of 5505 1st Street Holdings and 701 Kennedy Street Holdings to Negussie (as they did similarly with other projects found in the DC database).



Shining a light on the development at 1st and Kennedy Streets NW



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Negussie, who had been the general contractor for La Coop Coffee House and Paret's partner on other development projects, then transferred the deed to a company he appears to have created three weeks earlier, called **Developer RE1**.

Limited Liability Corporations (LLCs) owning properties and deeds nothing out of the ordinary in our neighborhoods, especially in a city like DC, where properties in many neighborhoods targeted for investment are bought up by developers. But the seemingly sudden decision to change the proposal and remove the retail, the lack of transparency in the reasoning, and what some consider the lack of satisfying answers from the decision makers, makes many in the neighborhood feel as though they're having the proverbial wool pulled over their eyes.

Mel Negussie is the Registered Agent for 19 LLCs in the District of Columbia. A registered agent is a person designated as the official point of contact for a company and is often (though not necessarily) an employee, and indeed Negussie is at least co-owner in many of these companies. Of those, four have been revoked and two have been dissolved, and eight are in some way connected with Charlie Paret. All but two have been set up since 2016, and most of them appear to be involved in real estate investment and development.

Negussie's oldest venture is the **NT Group** (sometimes referred to as NT Construction or NT Global Tech), which, according to his LinkedIn, he has led since 2004. On its [website](#), NT Group offers an "end-to-end client experience" and guarantees to deliver "quality projects on-time, fully meeting or exceeding the value proposition." According to their website, NT Group is integrated with CR Studio Architects, an architectural design firm. At the March 2024 community

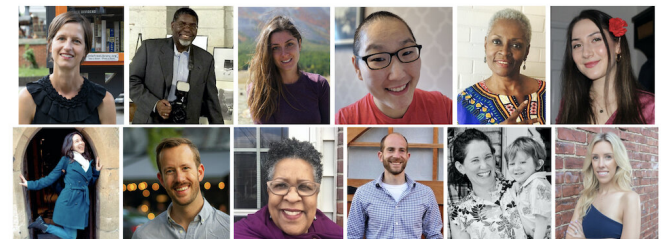
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Petworth News is a news site about Petworth area neighborhoods in Washington DC, written by **Drew Schneider** and other amazing contributing writers. It features facts and objective reporting, as well as an occasional subjective point of view and opinion.

meeting and in an interview with Petworth News, Negussie said he had bought CR Studios “100%” from Paret, but the website declares that Negussie founded it in 2019. Negussie told me he “doesn’t know what the website says,” but that he “first owned 50% of it and then when [Paret] ran out of money, I took 100%.” Negussie said he needed to keep the CR Studios architects after Paret lost money because they were the “architects of record” on the projects.

Some of the projects NT Group/CR Studios boasts of on its site appear to be leftovers from Coloma River. Artist renderings of 201 Kennedy and the “Kennedy Residences” both feature named retail on the first floor. A bustling La Coop Coffee is shown at 201 Kennedy, and ANXO Cider takes up the entire ground floor of “Kennedy Residences.”

PROJECTS



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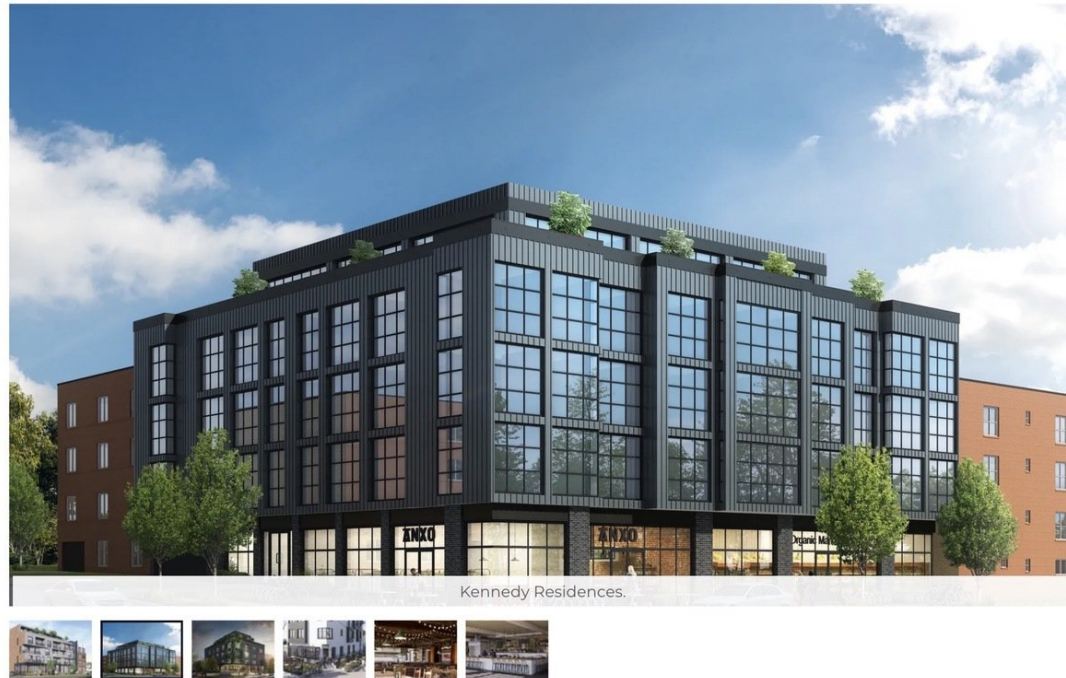


Screen shot of rendering of 201 Kennedy Street NW featuring La Coop Coffee on the ground floor, from *NT Construction website*.

In reality, *La Coop is building out a new location* at 500 Kennedy Street, and it's unclear where "Kennedy Residences" is, but ANXO currently operates out of 711 Kennedy St NW, which Paret used to own but sold in 2021.

These renderings appear to suggest the firm is involved in projects that do not exist.

PROJECTS



Screen shot of rendering of "Kennedy Street Residences" featuring ANXO on the ground floor, from *NT Construction website*.

Interestingly, in a [September 2023 ANC 4B meeting](#), Negussie showed a different version of 201 Kennedy than what can be seen on his website, depicting a coffee shop called “Idido’s Coffee” on the ground floor. Negussie is the registered agent of Idido’s Coffee, according to DC corporate filings, but he told me does not receive any compensation for that role.

Negussie’s reasons for building a site with a coffee shop on the first floor just one block away from 71 Kennedy are confusing and seem to be at odds with other statements. When asked why directly, he said he wasn’t “sure they could attract the right commercial space,” despite there having been a thriving coffee shop on that site for the past four years.

He also said, “There’s plenty of other retail space along Kennedy.” (Negussie said that he had offered the 201 Kennedy space to La Coop, but people I spoke to who were familiar with the offer told me it was a massive increase from what they had been previously paying and could afford.)

At the September meeting, Negussie told ANC 4B that the reason for eliminating retail was the parking requirement, yet the DC Zoning Board only requires parking if the retail space is larger than 3,000 square feet. The current plan for 47 residential units requires 15 parking spaces, without the retail. If there were less than 3,000 square feet of retail and 44 residential units, the parking requirement would be only 14 spaces.

At the March 2024 meeting, Negussie told the crowd that he was a “small businessman” who had been “hoodwinked” by Charles Paret. He told Petworth



Volunteer with the *Friends of the Soldier's Home!*

News, “I wish I had never met Charlie Paret,” and called himself a victim.

When asked why, he wouldn’t elaborate, although he did say he last spoke with Paret a few months ago. But perhaps it’s because, according to DC court records, over the last three years Negussie was named as co-defendant in three lawsuits based on properties he and Paret were working on together, all of which involved improperly using investor money. Negussie and his companies were dismissed from these, leaving the soon-to-be-bankrupt Paret on the suit alone. Negussie said he “never should have been sued at all.”



5501 Kennedy Street NW

As a Commissioner for ANC 4B, Alison Brooks' single member district includes 71 Kennedy. She and the rest of ANC 4B support the 71 Kennedy project, as it provides much-needed housing for the area. Brooks told me the difference between working with Paret and Negussie has been night and day.

“Mel Negussie has presented himself as someone who cares about constructing a building. That was not the case with Charles Paret. He’s been forthright in his communications, [201 Kennedy] is actually being built, and he’s doing what he said he was going to do.”

When asked whether their previous business relationships and the lawsuits concerned her, Brooks said she can’t defend Negussie, but she has “to take him at his word.”

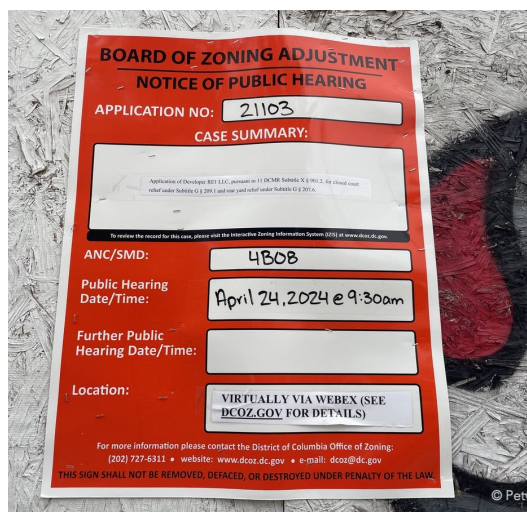
“The same way I can see who Charles Paret is, I think I am using the same judgment in evaluating Mel Negussie.”

While it’s true that the development would bring housing units to the neighborhood, it’s also true that when Paret went to the DC Zoning Board to apply for the permit in 2019, he touted the first-floor retail as a huge asset to the community and referenced the ground floor coffee shop multiple times to the Board. It’s impossible to know how much of a role the promised retail played in BZA’s decision to approve the original proposal, but the city has targeted the Kennedy Street Corridor with a [Revitalization Plan](#). The Plan’s Area 3, from Kansas/Missouri Avenues to North Capitol Street, is to “create a vibrant, dynamic

district for residents and others, with activities spilling out of buildings and onto sidewalks.” The plan specifically calls for using “the area’s larger lots and building types to attract destination retailers.” The presentation by Paret on the development to include retail matches that plan – and now the removal of the retail, after the presentation and approval by the Zoning Board, goes against the broader goals of the Revitalization Plan.

There seems to be no hope for any of that now for 71 Kennedy.

On Wednesday, April 24, 2024 the Board of Zoning will consider the new plan, which does not and is not required to mention the removal of the retail space. It only concerns two “minor modifications” to the rear yard and closed court requirements. A [Change.org](#) petition has been circulating in the community in protest, but it’s unclear what if anything can be done at this point. [Residents can submit Party Status Requests](#) to provide written and/or oral testimony at a public hearing, but submissions have to be completed two weeks in advance and follow a rather long and demanding list of requirements.






The notice posted on 5501 Kennedy Street NW.


Whatever the real reasons are for removing the retail, and whether or not the Zoning Board approves the application on Wednesday, neighbors feel they have


been stiffed. Community members who attended the meetings say they are not opposed to housing — they want housing. But they also want the retail they were expecting and desire along with that housing — what the ANC and Zoning Board originally approved — and what they had for four years before the new plan and new(ish) developer came along.

“It feels like we were all promised a vision of Kennedy with vibrant retail and affordable housing, and there was a ton of excitement,” said Maddie Benderev, who lives nearby with her family. “But now it feels like the rug was just pulled out from under our feet.”


There is a question of why ANC 4B — and the DC Zoning Board — is so quick to support the redevelopment of this property as it is now defined, when past behaviors and lawsuits, discovered in a pretty quick search of the DC database, might otherwise cause a reasonable person to question the future behavior of the developers. Even if the new team are honest operators, their murkiness and lack of dedication to the spirit of the original plan have been frustrating. All the community wants is honesty, transparency and to be heard.

 April 22, 2024  Sacha Haworth  3 Comments [Share](#)

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 Kennedy Street, Columa River, La Coop, Developers, Promo

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Rebecca Mcvittie


18 hours ago

The fact that the ANC supports a project that is contrary to the will of the neighborhood says everything. The article doesn't even mention how the liquor license was moved across the street and several other issues that show deception and dirty dealing between the ANC and the developers.

1

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Reply



S

Scotty B

17 hours ago

I have been following this project for over 5 years (pre covid). The facts are a bit murky! Thank you for helping clear up some of the details!

Now the hearing for this building is on wednesday, but the ANC hearing for the project resolution is at a later date? So the ANC is holding a hearing about if they support the project at a date later than the project hearing... The chairman of the ANC has applied an old ANC resolution to a new project number?! How does that work!



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The meeting held at roots charter school was packed full of people. Never seen so many people attend a community event in over a decade living off Kennedy.
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How can the developer use a resolution from a different proposal and apply it to the new project? It looks like the developer needs waivers to continue, but the ANC isn't blocking the waivers?

It was clear at the meeting that people want community spaces on Kennedy Street.

Another funny aspect is that if you look at the condos for sale on 1st & Kennedy st., the condos advertise their access to the business spaces. New businesses are thriving on Kennedy Street. The community is having huge growth. Lots of babies being born and this place looks totally different than 5 years ago. Unrecognizable from a decade ago in positive ways!

Why is the ANC backing a developer over the people who actually live in the neighborhood? Ah yes, its because the neighborhood has been historically economically disadvantaged....

So no one with any financial power to oppose the outside interests.

0 0 Reply

J

Jeff

13 hours ago

This is great write up and I appreciate how much work it must have taken but still