

## Tucker, Melissa (Council)

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**From:** Schlater, Konrad (EOM)  
**Sent:** Tuesday, June 06, 2006 9:39 AM  
**To:** Werner, Ruth (COUNCIL)  
**Subject:** FW: SEFC Commitments  
**Attachments:** Commitments.doc; SEFC Term sheet executed 05 04 2006.pdf

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**From:** Nyhan, Alex [<mailto:AlexNyhan@forestcity.net>]  
**Sent:** Monday, June 05, 2006 10:19 AM  
**To:** [kbrown@dcccouncil.us](mailto:kbrown@dcccouncil.us)  
**Cc:** [abonds@dcccouncil.us](mailto:abonds@dcccouncil.us)  
**Subject:** SEFC Commitments

Councilmember Brown:

Thank you very much for the call and opportunity to detail the commitments made by Forest City. I am attaching two documents: (1) our expected term sheet with Robert Bobb which contains all the commitments we have made; (2) a (less formal) summary of the commitments Forest City has made in exchange for the city paying for the public roads, sewers and park. I am also pasting in that less formal summary. Please call me any time to discuss further. My desk phone is 202-496-6626, my cell phone is (240) [REDACTED]. If you call my desk phone my assistant will track me down.

Sincerely, Alex

### SEFC Commitments

#### Public Policy

- LSDBE
- 50% LSDBE contracting across \$1.6 billion project
- 35% of that amount to Local Small or Local Disadvantaged
  - 1 20% of that amount to Local Disadvantaged
  - 2 The 50% number is imposed in 2011 and is 35% between now and then (to deal with capacity issues arising from baseball stadium and HQ hotel project).
- Minority Equity
- 25% of total project equity minority-owned
  - 1 Bobb told us to meet w/ Barbara Lang and help her with her program to build local minority investment
  - 2 We met with her and forum was organized for Victor MacFarlane.
  - 3 At forum, Victor offered 20% of his stake in vertical development to local minority investors who could put equity dollars at risk – is real equity not “sweat” equity.
- Affordable Housing – 20% of all rental units to be affordable to those earning 50% of AMI (\$40,500 / yr for a family of 3)

- Jobs, Job Training and Pre-apprenticeships

- 1<sup>st</sup> Source

- 1 Apprenticeship

- 2 Pre-apprenticeship requirements imposed by GSA / Congresswoman Norton – using Living Classrooms as pre-apprenticeship partner but open to learning more about other groups as long as they have proven ability to deliver results

## Financial

- Public infrastructure paid for by new tax dollars – tax dollars on 42 acres that have generated a total of \$0 in taxes over the last 200 years. Projections show that +- \$50 million in new tax revenues should be flowing to the general fund AFTER paying debt service on infrastructure bonds.
- Forest City must purchase the bonds – therefore the District faces zero repayment risk (because there is no recourse to the city) and zero bond placement risk (because Forest City has pledged to buy the bonds)
- Forest City pays for cost overruns. If infrastructure is less expensive than the agreed upon budget between the City Administrator and Forest City, then city gets the cost savings.
- Costs were vetted by independent consultant required by CFO's office.

<<Commitments.doc>> <<SEFC Term sheet executed 05 04 2006.pdf>>