

District halts sole-source talks for fire station lease

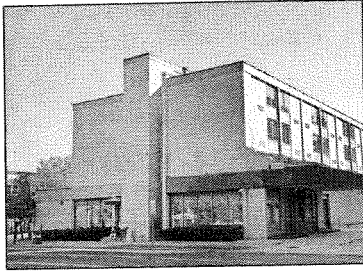
■ **Walter Reed:** Lease was not in force for 'excess' parcel

By **ELIZABETH WIENER**
Current Staff Writer

After months of negotiations between the city and a South Carolina firm over plans to build a fire station on the former Walter Reed Army Medical Center campus, officials abruptly terminated talks in late February when lawyers confirmed there is no legal basis for awarding Keenan Development Ventures a sole-source contract.

City officials still hope they can use the site on Georgia Avenue at Butternut Street — home to a decrepit former hotel known as Building 18 — for a new fire station. Fire officials have been trying to relocate Engine Co. 22 there for years because the aging station at Georgia and Missouri avenues is beyond repair, and it's located too far south to properly serve Ward 4 communities near the District line.

But the situation also leaves the city's economic development office with a bit of egg on its face, since community activists — including



Bill Petros/Current File Photo

"Building 18" formerly housed wounded war veterans.

the Takoma advisory neighborhood commission — have been warning for months that it might be improper to pay Keenan off or award a sole-source contract to the Columbia, S.C., firm. They note that the city is now set to get Building 18 at no cost when the U.S. Army turns over prime acreage at Walter Reed for redevelopment by the District.

More embarrassing still, the D.C. Council adopted emergency legislation last summer — at the request of the Office of the Deputy Mayor for Planning and Economic Development — exempting the fire station project from competitive bidding because, an emergency declaration.

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tion stated: "a private third-party developer holds the development rights ... to Building 18, through an enhanced use lease executed with the Army."

It's clear now that the statement was erroneous, since the lease was never executed — and wasn't even allowed to be once the Army declared Walter Reed "excess" in 2005. An Army spokesperson confirmed this week that Army regulations don't allow such leases for properties declared excess or surplus.

The District's legislation was enacted without hearings or a committee report because it was couched as an "emergency." Economic development officials have since declined to comment on their dealings with Keenan because, they said, the negotiations were confidential.

Economic development office spokesperson Jose Sousa said last week there was nothing improper about the legislation authorizing sole-source negotiations with Keenan since it "was enacted based on our knowledge at the time."

Keenan's option "could be exercised at a later date," if the city wanted the firm to tear down the old hotel and build a fire station.

But after inquiries from District officials and community activists, according to the spokesperson, the Army produced "a new legal determination" that Keenan had no rights to Building 18.

Ward 4 D.C. Council member Muriel Bowser also raised direct

questions about the deal, and about the legal basis for last summer's emergency legislation. The D.C. Office of the Attorney General responded in a Feb. 24 letter that her questions have been "rendered moot" since the negotiations with Keenan were "discontinued."

In a confusingly contradictory legal opinion, Attorney General Irvin Nathan wrote that the U.S. Army had declared its belief that "Keenan no longer has a legal claim to the Building 18 site." Before that notification, Nathan wrote, "we had been preparing a memo which would have demonstrated clearly that the earlier negotiations by the Deputy Mayor were perfectly lawful and proper."

Joe Membrino, a local resident and citizen member of the Walter Reed Local Redevelopment Authority Committee, has been trying for months to get city officials to pay attention to the legalities, as well as the appearance of paying an out-of-state firm to build a fire station without competitive bidding.

For months, Membrino said his research showed that "Keenan has no legal rights whatsoever in Building 18. The authority of the Army to deal with Keenan was the same [after the base closure decision in 2005] as it is today. Nothing has changed."

"Only the Army knows why it did not advise the city of the legal situation," Membrino said this week. "And only the city knows why it waited 18 months to ask what rights Keenan had."

Sousa responded that the economic development office had been relying on the Army's information. Now that negotiations with Keenan have ceased, Sousa said his office is "exploring other options ... on how the property can be conveyed to the District to build the fire station," hopefully before the formal transfer of Walter Reed acreage to the District, still several years away.

Bowser said last week that she thinks the mistakes were innocent, an earnest attempt to get a fire station built as quickly as possible. "I think it was worth the discussion to see if the fire station could get started before the final transfer. It was well worth exploring."

THE NORTHWEST CURRENT

Wednesday, March 7, 2012

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Vol. XLV, No. 9

"The property will be transferred to the District, and our driving interest is to see if [the D.C. government] can get access to the property before the transfer," Bowser said.