

News Release
From Hine Coalition
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HINE COALITION OBTAINS DOCUMENTS THAT SHOW TAXPAYERS MUST PAY ADDITIONAL UNDISCLOSED SUBSIDIES TO DEVELOPER STANTON-EAST BANC

FOIA Request Reveals Taxpayers must Reimburse Developer \$1.9 Million for Financial ‘Contributions’ and Other Public Benefits Proffered in Support of Hine School PUD

Washington, DC, Sept. 23 –The Hine Coalition has obtained documents – pursuant to a July 23, 2013, Freedom of Information ACT (FOIA) request – from the Office of the Deputy Mayor for Planning and Economic Development (DMPED) revealing that District taxpayers will subsidize the Planned Unit Development (PUD) at the site of the former Hine Junior High School by an additional \$1.9 million.

The documents show that taxpayers must reimburse Stanton-EastBanc, LLC (SEB) for several expenditures previously attributed to the developer, including ‘contributions’ SEB claims to be making in the amount of \$50,000 to improve the Eastern Market Metro Plaza and \$75,000 to finance construction of a playground. Taxpayers also must pay nearly \$1.75 million for subsidized day-care to be included in the PUD.

“These revelations are only the tip of the iceberg,” Hine Coalition attorney Oliver B. Hall said. “DMPED and SEB have stonewalled all the way, because they don’t want the public to know how bad this deal is, but we’re going to keep pressing until the truth comes out.”

The documents obtained by the Hine Coalition are significant because they show that District taxpayers – not SEB – are paying for even more ‘amenities’ and ‘public benefits’ SEB proffered to win public support of its PUD and approval by the Zoning Commission.

The newly revealed taxpayer subsidies for SEB are in addition to the sharp discounts SEB is receiving on the valuable Hine School property itself.

In 2010, the District assessed the property at nearly \$44.7 million. SEB will obtain the majority of the property through a 99-year lease for only \$21.8 million, and will buy the remainder for only \$800,000.

“Not only was the Hine School property conveyed to SEB at bargain basement rates, but also, taxpayers must reimburse SEB for the ‘contributions’ it claims to have made for improving the metro plaza and building a playground, and taxpayers must pay for the child care facilities and the affordable housing units in the PUD,” Hall said. “The question for DMPED and SEB is simple: what amenities and public benefits, if any, is SEB actually paying for?”

Hall said DMPED is required to post public contracts and related documents online, so the Hine Coalition should not have needed to file a FOIA request for them. He also said DMPED had violated its legal obligations under FOIA by improperly withholding documents and redacting others.

“The more we learn about this deal, the clearer it is that DMPED and SEB have misled the public and the Zoning Commission about its basic terms,” Hall said. “We think the Court of Appeals will be interested in this new evidence.”

The Hine Coalition is asking the court to send the PUD back to the Zoning Commission, in part because the agency improperly decided the case on an incomplete record, and because SEB failed to disclose the extent to which taxpayers are subsidizing the PUD. In addition, the Hine Coalition argues that the Zoning Commission erred by failing to address the height of the PUD, which will top out at 94.5 feet in a lot currently zoned for developments no taller than 40 feet. Due to its excessive height and size, the Hine Coalition contends that the PUD violates zoning regulations protecting the Capitol Hill Historic District.

Oral argument in the appeal has been set for Sept. 26 at 9:30 a.m. in Courtroom 1 of the DC Court of Appeals.

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Note: Copies of the documents the Hine Coalition received are available from oliverbhall@gmail.com.