

FINAL – APPROVED February 6, 2015
NCA Legislative Assembly
Report of Ballot Vote
October 6, 2014

The following message was sent to the Legislative Assembly, and the LA was asked to vote no later than October 6:

As you know, during the summer NCA received an unsolicited offer to purchase our office property for an amount significantly above market price. The offer was only good until September, and the EC asked the LA to grant permission for the EC to investigate whether this could be a good opportunity to enhance the long-term financial security of the association and to formally act on the organization's behalf in this matter. The LA granted such permission, consistent with the authority the Legislative Council vested in the Administrative Committee when our current building was purchased in the late 1990s. As such, we spent a large portion of the summer studying the real estate market in D.C. to evaluate whether appropriate alternate office space could be available. We are committed to staying in a downtown location where our predecessors so wisely decided to move years ago.

We learned that the vast majority of commercial real estate in D.C. is rental property. However, our financial analysis led to the decision that selling our property, even for an inflated price, does not make sense if we move only to rent. On the other hand, the analysis for selling and then purchasing a better property indicates that we would not only be on safe ground financially, but we would likely be ensuring a more secure financial future for our organization. The difficulty, then, is finding a new office space to purchase. We worked with a commercial real estate firm to identify all potentially viable properties. There were fewer than ten. We toured all of them, and narrowed the list down to two that seemed worth further consideration. One was eliminated quickly as we discovered several serious physical problems with the building upon a return visit with an engineer. The other was very appealing, and we began serious discussions with the owner. Unfortunately, the owner ended up deciding not to sell the property.

At that point it became clear that we were going to be unable to find an acceptable alternate property before the September deadline. So we met with the potential buyer to explain the situation and request an extension of the timeline. We were pleased that we got a favorable response to our inquiry. Given the very tight real estate market, we have learned that if an appropriate property does come on the market we need to be prepared to move quickly. As such, **we ask the LA to continue to invest authority in the EC to formally act on the organization's behalf in this matter.** Again, we hope that you appreciate the need to maintain confidentiality about this offer, and we will keep the Legislative Assembly apprised of any important developments regarding this topic.

The Legislative Assembly voted to allow the EC to formally act on its behalf in this matter.

Respectfully Submitted,

Nancy Kidd, Executive Director