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A BILL

23-21

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 46 of Title 47 of the District of Columbia Official Code to revise the existing exemption from real property taxes on the real property located in Lot 801, Square 643, Suffix S and, beginning as specified, to provide a 20-year abatement of real property taxes on that real property.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Randall School Museum and Housing Development Real Property Tax Abatement Amendment Act of 2019”.

Sec. 2. Chapter 46 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended by adding a new section designation to read as follows:

“47-4626.01. Randall School Contemporary Art Museum and Housing Development abatement.”.

(b) Section 47-4626 is amended to read as follows:

“(a) The Property, known as the Randall School development project, owned by the Trustees of the Corcoran Gallery of Art, a nonprofit corporation, shall be exempt from the tax imposed by Chapter 8 of this title, beginning October 1, 2008, for so long as the Trustees of the

28 Corcoran Gallery of Art, or qualified successor, own the real property; provided, that the
29 exemption provided by this subsection shall cease upon the commencement of the abatement
30 provided under § 47-4626.01. The exemption provided by this section shall be in addition to,
31 and not in lieu of, any other tax relief or assistance from any other source applicable to the
32 Randall School development project.

33 “(b) For the purposes of this subsection, the term:

34 “(A) “Property” means the real property described as Lot 801, Square 643,
35 Suffix S and any improvements on that real property.

36 “(B) “Qualified successor” means an entity that develops, or transfers for
37 development, the Property pursuant to § 47-4626.01.”.

38 (c) A new section 47-4626.01 is added to read as follows:

39 § 47-4626.01. Randall School Contemporary Art Museum and Housing Development
40 abatement.”.

41 “(a) For the purposes of this section, the term:

42 “(1) “CBE Act” means the Small and Certified Enterprise Development and
43 Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-
44 218.01 *et seq.*).

45 “(2) “Certified Business Enterprise” means a business enterprise or joint venture
46 certified pursuant to the CBE Act.

47 “(3) “Developer” means Lowe Enterprises Real Estate Group (“Lowe”), an

48 affiliate of Lowe, or its successor or assignee.

49 “(4) “First Source Agreement” means an agreement with the District governing
50 certain obligations of the Developer pursuant to section 4 of the First Source Employment
51 Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-
52 219.03), and Mayor’s Order 83-265, dated November 9, 1983, regarding job creation and
53 employment generated as a result of the construction on the Property.

54 “(5) “Property” means the real property described as Lot 801, Square 643, Suffix
55 S and any improvements on that real property, and further described as the Randall School
56 Contemporary Art Museum and Housing Development.

57 “(b)(1) Beginning with the tax year immediately following the tax year during which a
58 certificate of occupancy (whether temporary or final) authorizing any use of the Property is
59 issued, the tax imposed by Chapter 8 of this title on the Property shall be abated for 20 real
60 property tax years; provided, that the abatement shall not exceed \$1.7 million in any tax year.

61 “(2) The abatement allowed in a tax year shall be apportioned between
62 semiannual installments of tax by the Office of Tax and Revenue and shall be applied first to the
63 residential portion of the Property, and where there are condominiums, if any, the abatement
64 amount shall be apportioned equally based on percentage of ownership in the common elements,
65 and then the remaining abatement amount to the museum portion of the Property.

66 “(3) Notwithstanding paragraph (1) of this subsection, in no case shall the
67 abatement provided for in paragraph (1) of this subsection begin before October 1, 2023.

68 “(c) If the Property is subdivided into 2 or more lots for assessment and taxation, the
69 amount of the abatement described in this section allowed for a tax year shall be apportioned
70 among such lots as provided in this section.

71 “(d) For the Property to receive the abatement described in this section, the Developer
72 shall:

73 “(1) Include on the Property a museum that provides Benefits of Special Value to
74 the Neighborhood, pursuant to Zoning Commission Order 07-13G, dated April 30, 2018
75 (“Zoning Commission Order”), and which may include arts education, community programming,
76 gallery space for local artists and their works, free general museum admission to all District
77 residents, and free meeting space for District residents.

78 “(2) Pursuant to Zoning Commission Order, set aside at least 20% of all housing
79 units for households earning up to 80% of the Area Median Income;

80 “(3) Execute a First Source Employment Agreement with the Department of
81 Employment Services;

82 “(4) Execute a Certified Business Enterprise Agreement with the Department of
83 Small and Local Business Development requiring the Developer to, at a minimum, contract for at
84 least 35% of the contract dollar volume of the development of the Property with business
85 enterprises or joint ventures certified pursuant to the CBE Act; and

86 “(5) Have the portion of the Property devoted to museum use subdivided into a lot
87 or lots separate from the residential portion of the Property, which shall be owned and operated

88 by a nonprofit corporation.

89 “(e)(1) The Mayor shall certify to the Office of Tax and Revenue the Property’s
90 eligibility for the abatement provided pursuant to this section. The Mayor’s certification shall
91 include:

92 “(A) A description of the Property by street address, square, suffix and lot,
93 and the date that abatement begins and ends;

94 “(B) The date a certificate of occupancy (whether temporary or final)
95 authorizing any use of the Property was issued;

96 “(C) A statement that the conditions specified in subsection (d) of this
97 section have been satisfied; and

98 “(D) Any other information that the Mayor considers necessary or
99 appropriate.

100 “(2) If at any time the Mayor determines that the Property has become ineligible
101 for the abatement provided pursuant to this section, the Mayor shall notify the Office of Tax and
102 Revenue and shall specify the date that the Property became ineligible. The entire Property shall
103 be ineligible for the abatement on the first day of the tax year following the date when
104 ineligibility occurred.

105 “(f) The abatement provided by this section shall be in addition to, and not in lieu of, any
106 other tax relief or assistance from any other source applicable to the Randall School
107 Contemporary Art Museum and Housing Development.”.

108 Sec. 3. Fiscal impact statement.

109 The Council adopts the fiscal impact statement in the committee report as the fiscal
110 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
111 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

112 Sec. 4. Effective date.

113 This act shall take effect following approval by the Mayor (or in the event of veto by the
114 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
115 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
116 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
117 Columbia Register.