

AN ACT

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:

“§ 47-4626. Randall School development project tax exemption.

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

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

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

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

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

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

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

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

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

“(3) “Developer” means Lowe Enterprises Real Estate Group (“Lowe”), an affiliate of Lowe, or its successor or assignee.

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

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

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

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

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

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

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

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

“(2) Pursuant to Zoning Commission Order, set aside at least 20% of all housing units for households earning up to 80% of the Area Median Income; provided, that at least 6 of the housing units shall be set aside for households earning up to 60% of the Area Median Income;

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

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

“(5) Have the portion of the Property devoted to museum use subdivided into a lot or lots separate from the residential portion of the Property, which shall be operated by a nonprofit corporation.

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

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

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

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

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

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

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

Sec. 3. Fiscal impact statement.

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

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

ENROLLED ORIGINAL

24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia