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OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

JUN 19 2018

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council is the "Jackson School Disposition and Lease Approval Emergency Act of 2018," and the "Jackson School Disposition Emergency Declaration Resolution of 2018" (collectively, the "Act"). The Act authorizes the Department of General Services to enter into a lease agreement with Jackson Art Center (the "Tenant") for real property located at 3050 R Street, N.W., Washington, DC, commonly known as the Jackson School and known for tax and assessment purposes as Lot 0840 in Square 1282 (the "Property").


The Property is located in Ward 2 in northwest DC. The land area of the Property is estimated to be 19,991 square feet. The Property is improved with a building consisting of approximately 18,300 square feet. The Property was last used as a public school in approximately 1970, and has been used as an art center since the mid-1980s. The Tenant has occupied the Property pursuant to a lease agreement with the District since 1998.

I urge the Council to take prompt and favorable action on the proposed Act. If you have any questions, please contact Greer Johnson Gillis, Director of the Department of General Services, at (202) 727-2800.

Sincerely,


Muriel Bowser

Enclosures


Chairman Phil Mendelson
At the request of the Mayor

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve on an emergency basis the disposition of District-owned real property located at 3050 R Street, N.W. in Washington, D.C., known for tax and assessment purposes as Lot 0840 in Square 1282, which is commonly known as the Jackson School.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the “Jackson School Disposition and Lease Approval Emergency Act of 2018”.

Sec. 2. Notwithstanding any other provision of law, including but not limited to An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code §10-801) and section 2209 of the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code §38-1802.09), the Council determines that the real property located at 3050 R Street, N.W., and known for tax and assessment purposes as Lot 0840 in Square 1282 (the “Property”) is surplus and authorizes the Mayor to dispose of the Property to the Jackson Art Center, a District of Columbia non-profit corporation (“Lessee”), through a negotiated ground lease for a term of up to twenty (20) years, which shall include the following terms:

(1) Lessee shall use the Property primarily for the operation of an art

33 center, studio and gallery, to provide educational activities and to provide services related
34 to the art center, studio and gallery.

35 (2) In the event Lessee redevelops the Property, Lessee shall enter into
36 a CBE Agreement with the District. The CBE Agreement shall require Lessee to contract
37 with certified business enterprises for at least 35% of the contract dollar volume of any
38 redevelopment of the Property and, if possible, require at least 20% equity and
39 development participation of Certified Business Enterprises.

40 (3) Lessee shall enter into a First Source Agreement with the District.

41 Sec. 3. Fiscal Impact Statement.

42 The Council adopts the fiscal impact statement in the committee report as the
43 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home
44 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-
45 206.02(c)(3)).

46 Sec. 4. Effective Date.

47 This act shall take effect following approval by the Mayor (or in the event of veto
48 by the Mayor, action by the Council to override the veto), and shall remain in effect for
49 no longer than 90 days, as provided for emergency acts of the Council of the District of
50 Columbia in section 412(a) of the District of Columbia Home Rule Act, approved
51 December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: June 8, 2018

SUBJECT: Fiscal Impact Statement – Jackson School Disposition and Lease
Approval Emergency Act of 2018

REFERENCE: Draft Bill as shared with the Office of Revenue Analysis on June 7, 2018

Conclusion

Funds are sufficient in the fiscal year 2018 budget and the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

The lessee will pay approximately \$322,000 annually in rent that will be deposited into the District's Local Fund unless capital expenditures by the lessee in excess of \$400,000 trigger a rental credit.

Background

The bill declares as surplus property the Jackson School located at 3050 R Street, N.W.¹ and disposes of the property to the Jackson Art Center through a twenty-year ground lease.² The Jackson Art Center³ is a non-profit community of artists that has occupied the Jackson School since 2001 under shorter-term leases.

The Jackson Art Center will pay rent of \$322,000 annually,⁴ but the District will provide a credit against rental payments for capital investments that the lessee makes to the Jackson School. The

¹ Known for tax assessment purposes as Square 1282, Lot 840.

² The same Jackson School disposition and lease approval was approved by the Council under the Jackson School Lease Renewal Authorization Act of 2017, effective March 29, 2018 (D.C. Law 22-82) and an accompanying fiscal impact statement was issued on November 27, 2017.

³ <http://www.jacksonartcenter.com/The Jackson Art Center/Welcome.html>

⁴ The annual rent payment will be increased by 2 percent annually.

The Honorable Phil Mendelson

FIS: "Jackson School Disposition and Lease Approval Emergency Act of 2018," Draft Bill as shared with the Office of Revenue Analysis on June 7, 2018

Jackson Art Center will receive the credit on a dollar-for-dollar basis only if its capital expenditures exceed \$400,000 during any consecutive five-year period of the lease.

If it redevelops the property, the Jackson Art Center must sign a First Source Agreement⁵ with the District and use Certified Business Enterprises for at least 35 percent of the contract dollar volume of the project, 20 percent of the project's equity financing, and 20 percent of the dollar volume of non-construction development activities.⁶ Any development of the project must also comply with the District's green building requirements.⁷

Financial Plan Impact

Funds are sufficient in the fiscal year 2018 budget and the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The Jackson Art Center will pay annual rent of \$322,000 which will be deposited into the District's Local Fund. If the Jackson Art Center exceeds \$400,000 in capital expenditures to improve the building in any consecutive five-year period, the District will give it a dollar-for-dollar credit against rent payments. At this time, the Jackson Art Center has not set its projected capital expenditures and it is unknown if or when it will exceed the expenditure threshold to begin receiving the credit.

The District currently leases the Jackson School to the Jackson Art Center for approximately \$150,000 annually. Those payments are held in escrow to support maintenance at the school. The current lease will expire on June 30, 2018 or upon the execution of the proposed twenty-year ground lease.

⁵ First Source Employment Agreement Act of 1984, effective June 29, 1985 (D.C. Law 5-93; D.C. Official Code § 2-219.03).

⁶ D.C. Official Code § 2-218.49a.

⁷ Green Building Act of 2006, effective March 8, 2007 (D.C. Law 16-234; D.C. Official Code § 6-1451.01 et seq.).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



ATTORNEY GENERAL
KARL A. RACINE

Legal Counsel Division

MEMORANDUM

TO: Alana Intricri
Executive Director
Office of Policy and Legislative Support

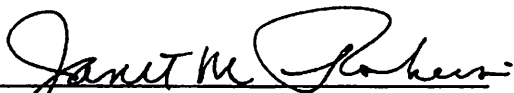
FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division

DATE: May 29, 2018

SUBJECT: Legal Sufficiency Review of the “Jackson School Disposition and Lease Approval Emergency Act of 2018” and the “Jackson School Disposition Emergency Declaration Resolution of 2018”
(AE-17-440C)

This is to Certify that this Office has reviewed the above-referenced legislation and that we have found it to be legally sufficient.

If you have any questions in this regard, please do not hesitate to call me at 724-5524.


Janet M. Robins