

A RESOLUTION

24-591

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

July 12, 2022

To declare the existence of an emergency with respect to the need to amend Chapter 10 of Title 47 of the District of Columbia Official Code to establish that the Small and Certified Business Enterprise Development and Assistance Act of 2005 (“CBE”) requirements associated with Lots 824 and 826 in Square 2950 apply to the gross project spend goal for the full Children’s National Research and Innovation Campus redevelopment project and require the health care provider to pay the District government the sum proportionate to the difference between the project goal and its actual CBE expenditure during the timeframe of the project if it fails to meet its CBE spend goal.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Children’s National Hospital Research and Innovation Campus Equitable Tax Relief Amendment Emergency Declaration Resolution of 2022”.

Sec. 2. (a) In December 2020, the Council approved the Children’s Hospital Research and Innovation Campus Equitable Tax Relief Act of 2020 (‘relief law’), which provided a real property tax exemption for Lots 824 and 826 in Square 2950 to assist Children’s National Hospital (“Children’s”) with the development of its Research and Innovation Campus at Walter Reed.

(b) The relief law also required the developer to spend no less than 35% of the project’s annual adjusted budget with certified and small business enterprises (“CBE”). While annual spend goals on capital construction projects can fluctuate significantly from projections in any given year, the impact of the COVID-19 pandemic has caused these fluctuations on the campus project to be much more dramatic.

(c) Because the Department of Small and Local Business Development routinely ties CBE compliance on capital projects to a gross project spend goal, and to prevent Children’s from losing its real property tax exemption due to market dynamics borne from the impact of COVID-19, this legislation aligns Children’s CBE compliance scheme with that of most other capital projects by requiring the health care provider to meet the 35% adjusted budget spend goal at the end of the full redevelopment project.

(d) If Children’s fails to meet its CBE spend goal by the end of the project, it shall remit to the government of the District of Columbia the amount it would have otherwise had to pay in

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real property taxes for the buildings located on Lots 824 and 826 in Square 2950 at a sum proportionate to the difference between the project goal and Children's actual CBE expenditure during the timeframe of the project.

(e) This emergency action is necessary to ensure that Children's does not lose its real property tax exemption next fiscal year and can complete the development of its Research and Innovation Campus.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Children's National Hospital Research and Innovation Campus Equitable Tax Relief Emergency Amendment Act of 2022 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.