

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 46 of Title 47 of the District of Columbia Official Code to provide an abatement of real property taxes for property known for tax and assessment purposes as Lots 829, 830, and 831 in Square 3065, Lot 11 in Square 3074, Lot 807 in Square 3075, Lot 52 in Square 3072, and Lot 73 in Square 3080.

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

That this act may be cited as the “New Howard University Hospital and Redevelopment Tax Abatement Act of 2020”.

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:

“47-4673. New Howard University Hospital and Redevelopment real property tax abatement.”.

(b) A new section 47-4673 is added to read as follows:

“§ 47-4673. New Howard University hospital and redevelopment real property tax abatement.

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

32 “(1) “Developer” means Howard University or its successor, or an affiliate  
33 or assignee of Howard University approved by the Mayor.

34 “(2) “New Hospital” has the meaning set forth in subsection (d)(3) of this  
35 section.

36 “(3) “Project” means the redevelopment of the Property and the buildings  
37 located on the Property into a vibrant mixed-use project, integrated with the surrounding  
38 neighborhoods, that includes varied uses, such as residential (including a significant  
39 component of affordable and workforce housing), market and neighborhood-serving  
40 retail, hospitality, and office uses.

41 “(4) “Property” means the real property known for tax and assessment  
42 purposes as Lots 829, 830, and 831 in Square 3065, Lot 11 in Square 3074, Lot 807 in  
43 Square 3075, Lot 52 in Square 3072, and Lot 73 in Square 3080 and any improvements  
44 on that real property.

45 “(b) The tax imposed by Chapter 8 of this title on the Property certified as  
46 provided in subsection (e) of this section shall, subject to subsections (c) and (d) of this  
47 section, be abated for 20 real property tax years.

48 “(c) The abatement provided in subsection (b) of this section shall:

49 “(1) Begin:

50 “(A) Upon the latest of (i) October 1, 2024, (ii) the half tax year  
51 during which the New Hospital opens,; or (iii) At the election of the Developer, as to  
52 any lot within the Property, the half tax year during which:

53 “(I) The temporary certificate of occupancy is issued for  
54 each phase of the Project for the lots of the Property on which the phase is located; or

55 “(II) The transfer for development of each phase referred to  
56 in sub-sub-subparagraph (I) of this paragraph occurs;

57 “(B) The Developer shall submit the election provided under sub-  
58 subparagraph (iii) to the Mayor and the Office of Tax and Revenue.

59 “(2) Not exceed \$11.125 million in any tax year or \$225 million in total;  
60 and

61 “(3) Not remain in effect later than the end of tax year 2048.

62 “(d) For the Property to receive the abatement described in this section:

63 “(1) The Developer shall execute a First Source Employment Agreement  
64 with the Department of Employment Services for the development of the New Hospital  
65 and the Project;

66 “(2) The Developer shall execute a Certified Business Enterprise  
67 agreement with the Department of Small and Local Business Development requiring the  
68 Developer to, at a minimum, contract for at least 35% of the contract dollar volume of the  
69 development of the Property and the development and operation of the New Hospital  
70 with business enterprises or joint ventures certified pursuant to the Small and Certified  
71 Enterprise Development and Assistance act of 2005, effective October 20, 2005 (D.C.  
72 Law 16-33; D.C. Official Code § 2-218.01 *et seq.*);

73 “(3) The Developer shall construct a new, state-of-the-art, full-service,  
74 teaching and research hospital (“New Hospital”) on or adjacent to the Georgia Avenue,  
75 N.W., campus of Howard University with a level 1 trauma center and an academic  
76 affiliation with the Howard College of Medicine and its graduate medical education  
77 program;

78                   “(4) The Developer shall open the New Hospital by October 1, 2026, and  
79 shall operate the New Hospital on an ongoing basis for at least until the end of the time  
80 period of the tax abatement provided by this section;

81                   “(5) The Developer shall operate the existing Howard University Hospital  
82 on a continuous basis until the New Hospital is open;

83                   “(6) The Developer or New Hospital shall operate, starting on or before  
84 October 1, 2021, centers of excellence approved by the Department of Health for sickle  
85 cell disease, women’s health, substance use and co-occurring disorders, trauma care and  
86 violence prevention, and oral health and shall continue to operate such centers of  
87 excellence, and shall maintain the conditions necessary for their approval as centers of  
88 excellence by the Department of Health, until at least the end of the time period of the tax  
89 abatement provided by this section; provided, that:

90                   “(A) The requirement set forth in this paragraph shall not apply  
91 during a fiscal year between and including Fiscal Year 2021 and Fiscal Year 2025 when  
92 the District does not include in its operating budget at least \$3,000,000 in the fiscal year  
93 to support the centers of excellence; and

94                   “(B) The Mayor and the New Hospital may mutually agree to  
95 modify the centers of excellence required by this paragraph; and

96                   “(7) The Developer shall submit a detailed redevelopment plan for the  
97 property to the Mayor by October 1, 2021, and shall provide an updated redevelopment  
98 plan to the Mayor at least once every 6 months thereafter until the Property is fully  
99 redeveloped.

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

103                       “(A) A description of the Property by square, suffix, and lot, and  
104   the date the abatement for each lot certified by the Mayor begins and ends;

105                       “(B) The date the issuance of the temporary certificate of  
106   occupancy or transfer referred to in subsection (c)(1)(A)(iii) of this section occurred;

107                       “(C) A statement that the conditions specified in subsection (d) of  
108   this section have been satisfied as to each lot certified; and

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

111                       “(2) If at any time the Mayor determines that the Property, or any portion  
112   of the Property, has become ineligible for the abatement provided by this section, the  
113   Mayor shall notify the Office of Tax and Revenue and shall specify the date that the  
114   ineligibility began. The Property, or portion of the Property, shall be ineligible for the  
115   abatement on the first day of the half tax year following the date when ineligibility  
116   occurred.

117                       “(3) If, for any tax year, the amount of the abatement for Property  
118   certified as provided under subsection (e) exceeds any limitation imposed by paragraph  
119   (c)(2) of this section, the Mayor shall notify the Office of Tax and Revenue of the amount  
120   of the abatement allowable for each lot within the Property for such tax year.

121 “(e) The exemption provided by this section shall be in addition to, and not in lieu  
122 of, any other tax relief or assistance applicable to the Property or Development from any  
123 other source permitted under the law.”.

124 “(f) The Mayor may promulgate regulations to implement this section, including  
125 regulations governing the priority of assignment or method of allocation of the amount of  
126 abatement provided under subsection (c) of this section.

127  
128 Sec. 3. Fiscal impact statement.

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

132 Sec. 4. Effective date.

133 This act shall take effect following approval by the Mayor (or in the event of a  
134 veto by the Mayor, action by the Council to override the veto), a 30-day period of  
135 congressional review as provided in section 602(c)(1) of the District of Columbia Home  
136 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-  
137 206.02(c)(1)), and publication in the District of Columbia Register.