


Councilmember Kenyan R. McDuffie

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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 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” 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 law also required the developer to spend no less than 35% of the project’s annual adjusted budget with certified and small business enterprises. While annual spend goals on capital construction projects can fluctuate significantly from projections in any given year, the impact of

36 the COVID-19 pandemic has caused these fluctuations on the campus project to be much more
37 dramatic.

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

44 (d) If Children's fails to meet its CBE spend goal by the end of the project, it shall remit to
45 the government of the District of Columbia the amount it would have otherwise had to pay in real
46 property taxes for the buildings located on Lots 824 and 826 in Square 2950 at a sum proportionate
47 to the difference between the project goal and Children's actual CBE expenditure during the
48 timeframe of the project.

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

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

56 Sec. 4. This resolution shall take effect immediately.