

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 on real property leased by The Advisory Board Company, located at on the property described as Square 0450, Lots 0025, 0039, 0041, 0800, 0825, 0830, 0831, and 0832.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that this act may be cited as the “Local Jobs and Tax Incentive Act of 2015”.

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 4665 to read as follows:

“Sec. 4665. Abatement of real property taxes for The Advisory Board Company at its leased premises within as Square 0450 and Lots 0025, 0039, 0041, 0800, 0825, 0830, 0831, and 0832.

“(b) A new section 47-4665 is added to read as follows:

“§ 47-4665.01. Definitions.

“For the purposes of this section, the term:

“(1) “Abatement Period” means October 1, 2020, through September 30, 2030, the time during which the incentive will be applied

1 “(2) “Accumulated New District Resident Hires” is the goal for Net New District
2 FTE Hires pursuant to the Incentive Agreement.

3 “(3) “Annual Abatement” means the annual real property tax abatement the
4 Property is eligible to receive, up to \$6 million.

5 “(4) “Annual Reporting Date” means September 30 preceding every tax year of
6 the Abatement Period.

7 “(5) “Company” means The Advisory Board Company.

8 “(6) “Community Benefits Agreement” means the agreement entered into
9 between the Mayor and the Company pursuant to § 47-4665.03.

10 “(7) “District” means the District of Columbia.

11 “(8) “District Resident” means an FTE whose principal place of residence
12 is located within the District and who is subject to District personal income tax on the Annual
13 Reporting Date.

14 “(10) “FTE” means an employee of the Company, or one of its subsidiaries or
15 affiliates, who is eligible for full employee healthcare benefits of the Company, or its applicable
16 subsidiary or affiliate, in accordance with its standard policies.

17 “(11) “Incentive Agreement” means the agreement entered into between the
18 Mayor and the Company outlining the Company’s incentive requirement, which shall include
19 incentives for hiring 1,000 Net New District FTE Hires.

20 “(12) “Lease Commencement” means the date on which the Company occupies
21 the Property with its employees.

22 “(13) “Lease Execution” means the date on which the Company signs the lease
23 for the Property no later than December 31, 2015.

1 “(14) “Net New District FTE Hires” means the aggregate number of all District
2 Residents, whose primary workplace is located in the District, in excess of the Resident
3 Employment Baseline.

4 “(15) “Project” means the initial tenant improvements to the premises at the
5 Property undertaken by the Company or its contractor in order to construct its space for initial
6 occupancy.

7 “(16) “Property” means (insert Square, Suffix and Lot Numbers).

8 “(17) Resident Employment Baseline” means the total number of District
9 Residents whose primary workplace is located in the District as of the date of Lease Execution,
10 as established in the Incentive Agreement.

11 “(18) Total Employment Baseline” means the total number of FTEs, whose
12 primary workplace is located in the District as of the date of Lease Execution, as established in
13 the Incentive Agreement.

14 “§ 47-4665.02 Tax abatement.

15 “(a) Subject to §§ 47-4665.03 and 47-4665.04, the real property taxes imposed by
16 Chapter 8 of this title with respect to the Property shall be abated in an amount not to exceed \$6
17 million per tax year during the Abatement Period. The abatement shall be apportioned equally
18 between each tax year’s installment billing. The abatement shall be non-refundable and shall not
19 be credited to other tax years.

20 “(b) The amount of the abatement authorized in subsection (a) will be determined as
21 follows:

1 “(1) If the Company exceeds the Total Employment Baseline and meets the
2 annual requirements for the Accumulated New District Resident Hires, as measured on the
3 Annual Reporting Date, then the abatement for each such tax year shall equal \$6 million;

4 “(2) If the Company’s annual total of Net New District FTE Hires is less than the
5 requirements for the Accumulated New District Resident Hires for the same period, but the
6 Company exceeds the Total Employment Baseline, then the abatement for each such tax year
7 shall be calculated based on the ratio of actual Net New District FTE Hires to the requirement for
8 Accumulated New District Resident Hires as of the Annual Reporting Date; or

9 “(3) If there are fewer FTEs than the Total Employment Baseline as of the Annual
10 Reporting Date, then the abatement for each such tax year shall be \$0.

11 “(c) The Property shall be eligible for the abatement authorized in subsection (a) in any
12 given year as long as the Company (i) maintains a lease that meets the requirements in
13 subsection (d) for premises located at the Property; (ii) maintains the Total Employment
14 Baseline; (iii) fulfills the requirements of the Community Benefits Agreement; and (iv) complies
15 with the requirements of the Incentive Agreement and this Act.

16 “(d) The terms of the Company’s lease for the Property shall meet the following
17 requirements:

18 “(1) The premises subject to the lease shall be located in the District;

19 “(2) The Lease Execution shall occur on or before December 31, 2015;

20 “(3) The premises shall include at least 425,000 square feet of net rentable area
21 leased by the Company;

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“(4) The initial lease term shall be for a period of at least 15 years; and

“(e) During the Abatement Period, the Property shall not be eligible for the abatement authorized under § 47-811.03.

“§ 47-4665.03. First Source Compliance.

“Pursuant to D.C. Official Code § 2-219.03a, the Mayor has determined that the goal of increasing employment opportunities for residents is best served with the hiring requirements contained in this Act and the Incentive Agreement, which sets forth a goal of 1,000 Net New District FTE Hires in order for the Property to be eligible for the full amount of the Abatement. As such, the Company’s compliance with the hiring requirements of this Act and the Incentive Agreement shall be deemed compliance with the provisions of D.C. Official Code §2-219.03.

“§ 47-4665.04. Community benefits.

“On or before the effective date of this Act, the Company shall enter into a Community Benefits Agreement with the Mayor that shall include requirements for training, employment, youth development and free services to underserved and overlooked communities in the District.

“§ 47-4665.05. Certification.

“(a) On or before October 31st following each Annual Reporting Date, the Company shall provide the Mayor with the following information pertaining to the previous tax year:

“(1) A detailed report as of the Annual Reporting Date that identifies the number of FTEs whose primary workplace is located in the District; total number of District Residents; the median salary of the District Residents; the median tenure of District Residents; and the Total Employment Baseline; and

1 “(2) A certification of compliance as of the Annual Reporting Date as required by
2 the Community Benefits Agreement.”

3 “(b) In each year of the Abatement Period, the Mayor shall certify to the Office of Tax
4 and Revenue the Property’s eligibility for the abatement set forth in § 47-4665.02(a). The
5 Mayor’s certification shall provide:

6 “(1) The Company’s taxpayer identification number and the identity of any
7 directly related entity that may be occupying all or part of the eligible premises, including the
8 directly related entity’s taxpayer identification number;

9 “(2) A description of the eligible property, by street address and square and lot,
10 parcel, or reservation number, and a description of the eligible premises, including
11 floor(s), location, and square footage;

12 “(3) The date of Lease Commencement and anticipated term of lease; and

13 “(4) Any other information the Mayor considers necessary.

14 “(c) Upon receiving the verifying documents from the Company, the Mayor shall certify
15 to the Office of Tax and Revenue by December 1 following each Annual Reporting Date the
16 Property’s eligibility to receive an abatement pursuant to § 47-4665.02(a). The Office of Tax
17 and Revenue shall process the abatement before the first semi-annual billing of the tax year.

18 “§ 47-4666.06 Delegation of authority.

19 “The Mayor may delegate the functions vested in her by this subchapter to an
20 appropriate executive office, agency or department.”

21 § 47-4666.07 Certified Business Enterprise

22 “The Company shall comply with the requirements contained in §2-218.46 with regard to
23 the Project.”

1 Sec. 3. Fiscal impact statement.

2 The Council adopts the fiscal impact statement of the Chief Financial Officer, as the
3 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule
4 Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

5 Sec. 4. Effective Date.

6 This act shall take effect following approval by the Mayor (or in the event of veto by the
7 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
8 provided in section 602 (c)(1) of the District of Columbia Home Rule Act, approved December
9 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02 (c)(1)), and publication in the District of
10 Columbia Register.