

AN ACT

**D.C. ACT 21-236**

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

**DECEMBER 21, 2015**

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 and located at Lots 25, 39, 41, 800, 825, 830, 831, and 832, Square 450.

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 new section designations to read as follows:

“47-4665.01. The Advisory Board Company – definitions.

“47-4665.02. The Advisory Board Company – tax abatement.

“47-4665.03. The Advisory Board Company – compliance.

“47-4665.04. The Advisory Board Company – community benefits.

“47-4665.05. The Advisory Board Company – certification by Mayor.

(b) New sections 47-4665.01 through 47-4665.05 are added to read as follows:

“§ 47-4665.01. The Advisory Board Company - definitions.

“For the purposes of §§ 47-4665.02 through 47-4665.05, the term:

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

“(2) “Accumulated New District Resident Hires” is the goal for Net New District FTE Hires pursuant to the incentive agreement.

“(3) “Annual reporting date” means September 30 preceding every tax year of the Abatement Period.

“(4) “Company” means The Advisory Board Company.

“(5) “Community Benefits Agreement” means the agreement entered into between the Mayor and the Company pursuant to § 47-4665.04.

“(6) “District resident” means an FTE whose principal place of residence is located within the District and who is on the annual reporting date subject to District personal income tax.

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

**ENROLLED ORIGINAL**

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

“(9) “Lease commencement” means the date on which the Company occupies the Property with its employees.

“(10) “Lease execution” means the date on which the Company signs the lease for the Property.

“(11) “Net New District FTE Hires” means the aggregate number of District residents whose primary workplace is located in the District in excess of the resident employment baseline.

“(12) “Project” means the initial tenant improvements to the premises located on the Property undertaken by the Company or its contractor to construct the space for initial occupancy.

“(13) “Property” means Lots 25, 39, 41, 800, 825, 830, 831, and 832, Square 450.

“(14) “Resident employment baseline” means the total number of District residents whose primary workplace is located in the District, as established in the incentive agreement, as of the date of the lease execution.

“(15) “Total employment baseline” means the total number of FTEs, whose primary workplace is located in the District, as established in the incentive agreement, as of the date of the lease execution.

“§ 47-4665.02. The Advisory Board Company - tax abatement.

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

“(b) The amount of the abatement authorized in subsection (a) of this section shall be determined as follows:

“(1) If the Company exceeds the total employment baseline and meets the annual requirements for the Accumulated New District Resident Hires, as measured on the annual reporting date, then the abatement for each such tax year shall equal \$6 million;

“(2) If the Company’s annual total of Net New District FTE Hires is less than the requirements for the Accumulated New District Resident Hires for the same period, but the Company exceeds the total employment baseline, then the abatement for each such tax year shall be calculated based on the ratio of actual Net New District FTE Hires to the requirement for Accumulated New District Resident Hires as of the annual reporting date; or

“(3) If there are fewer FTEs than the total employment baseline as of the annual reporting date, then the abatement for each such tax year shall be zero.

“(c) The Property shall be eligible for the abatement authorized in subsection (a) of this section each year of the abatement period as long as the Company:

“(1) Maintains a lease for the premises located on the Property that meets the requirements in subsection (d) of this section;

“(2) Maintains the total employment baseline;

“(3) Fulfills the requirements of the Community Benefits Agreement; and

“(4) Complies with §§ 47-4665.02 through 47-4665.05, including the requirements of the incentive agreement.

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

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

“(2) The lease execution shall occur on or before December 31, 2015;

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

“(4) The term of the initial lease term shall be at least 15 years.

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

“§ 47-4665.03. The Advisory Board Company - compliance.

“(a) If the Mayor, pursuant to § 2-219.03a, determines that the Company is in compliance with the hiring requirements of §§ 47-4665.01 through 47-4665.05 and the incentive agreement, the Company shall be deemed to be in compliance with the provisions of part A of subchapter X of Chapter 2 of Title 2 of the District of Columbia Official Code.

“(b) On or before October 31, 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:

“(A) Number of employees whose primary workplace is located in the District;

“(B) Number of District resident employees;

“(C) Median salary of the District resident employees;

“(D) Median tenure of District resident employees; and

“(E) Total employment baseline; and

“(2) A certification of compliance with the Community Benefits Agreement.

“(c) The Company shall comply with the requirements contained in § 2-218.46, with regard to the Project.

“§ 47-4665.04. The Advisory Board Company - community benefits.

“Within 30 days of the effective date of the Local Jobs and Tax Incentive Act of 2015, passed on 2nd reading on December 1, 2015 (Enrolled version of Bill 21-353), the Company shall enter into a community benefits agreement with the Mayor that shall include requirements for training, employment, and youth development and free services to underserved communities in the District.

“§ 47-4665.05. The Advisory Board Company - certification by the Mayor.

“(a) In each year of the abatement period, the Mayor shall certify to the Office of Tax and Revenue the Property’s eligibility for the abatement set forth in § 47-4665.02. The Mayor’s certification shall include:

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

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

“(3) The date of lease commencement and the term of the lease; and

“(4) Any other information that the Mayor considers necessary or appropriate.

“(b) Upon receiving the verifying documents from the Company, as required by subsection (a) of this section, the Mayor shall certify to the Office of Tax and Revenue by December 1 following each annual reporting date the Property’s eligibility to receive an abatement pursuant to § 47-4665.02. The Office of Tax and Revenue shall process the abatement before the first semi-annual billing of the tax year.”.

Sec. 3. Fiscal impact statement.


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

Sec. 4. Effective date.

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



Chairman  
Council of the District of Columbia



Mayor  
District of Columbia  
APPROVED  
December 21, 2015



**COUNCIL OF THE DISTRICT OF COLUMBIA  
WASHINGTON, D.C. 20004**

Docket No. **B21-353**

ITEM ON CONSENT CALENDAR

ACTION & DATE

**ADOPTED FIRST READING, 11/03/2015**

VOICE VOTE

RECORDED VOTE ON REQUEST

**APPROVED**

ABSENT

ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Mendelson	X				Evans	X				Orange	X			
Alexander	X				Grosso	X				Silverman		X		
Allen	X				May	X				Todd	X			
Bonds	X				McDuffie	X								
Cheh	X				Nadeau	X								

X - Indicate Vote

AB - Absent

NV - Present, Not Voting

CERTIFICATION RECORD

Secretary to the Council

12.7.15  
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE

**ADOPTED FINAL READING, 12/01/2015**

VOICE VOTE

RECORDED VOTE ON REQUEST

**APPROVED**

ABSENT

ROLL CALL VOTE - Result

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Mendelson	X				Evans	X				Orange	X			
Alexander	X				Grosso	X				Silverman		X		
Allen	X				May	X				Todd	X			
Bonds	X				McDuffie	X								
Cheh	X				Nadeau	X								

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Chmn. Mendelson					Evans					Orange				
Alexander					Grosso					Silverman				
Allen					May					Todd				
Bonds					McDuffie									
Cheh					Nadeau									

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Secretary to the Council

Date