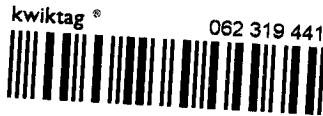


# ENROLLMENT(S)

(5)



# COUNCIL OF THE DISTRICT OF COLUMBIA

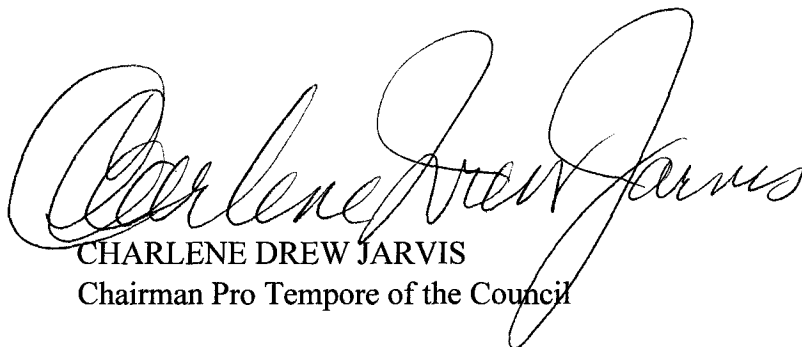
## NOTICE

### D.C. LAW 11-215

#### **"Oyster Elementary School Modernization and Development Project Temporary Act of 1996".**

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P.L. 93-198 "the Act", the Council of the District of Columbia adopted Bill No. 11-828, on first and second readings, July 17, 1996 and October 1, 1996, respectively. Following the signature of the Mayor on October 15, 1996, pursuant to Section 404(e) of "the Act", and was assigned Act No. 11-413, and published in the November 15, 1996, edition of the D.C. Register (Vol. 43 page 6070) and transmitted to Congress on January 15, 1997 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 11-215, effective April 9, 1997.



CHARLENE DREW JARVIS  
Chairman Pro Tempore of the Council

Dates Counted During the 30-day Congressional Review Period:

Feb. 3,4,5,6,7,10,11,12,13,24,25,26,27,28  
Mar. 3,4,5,6,10,11,12,13,14,17,18,19,20,21  
Apr. 7,8

AN ACT  
D.C. ACT 11-413

*Codification  
District of  
Columbia  
Code  
1997 Supp.*

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

OCTOBER 15, 1996

To provide, on a temporary basis, authorization to modernize the James F. Oyster Elementary School, to privately develop a portion of the Oyster school site, and to fund the improvements to Oyster School and other public school facilities through payments in lieu of taxes on the privately developed portion of the Oyster School site.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Oyster Elementary School Modernization and Development Project Temporary Act of 1996".

Sec. 2. Definitions.

*Note, Section  
31-209*

For purposes of this act, the terms:

- (1) "Board" means the Board of Education of the District of Columbia.
- (2) "Council" means the Council of the District of Columbia.
- (3) "District" means the District of Columbia Government.
- (4) "Mayor" means the Mayor of the District of Columbia.
- (5) "Payments in lieu of taxes" means payments into the Board of Education

Real Property Improvement and Maintenance Fund, established by section 2(b)(1) of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Code § 9-402(b)(1)), of the equivalent of Class II property taxes at 100% of the assessed valuation of the privately owned building or structure occupying any portion of the Oyster School site.

(6) "Privately owned structure" means any building or structure not owned by the District of Columbia government or any of its agencies that is erected on the Oyster School site under a long-term lease or other agreement between a developer and the District of Columbia Public Schools.

Sec. 3. Authorization of private development on the Oyster Elementary School site.

(a) The Board of Education, pursuant to the District of Columbia Board of Education Leasing Authority Act of 1982, effective September 29, 1982 (D.C. Law 4-158; D.C. Code § 31-201), is authorized to enter into a long-term land lease for private development of part of the James F. Oyster Elementary School site. Pursuant to section 2(c) of the District of

**ENROLLED ORIGINAL**

Columbia Board of Education Leasing Authority Act of 1982, effective September 29, 1982 (D.C. Law 4-158; D.C. Code § 31-201(c)), all proceeds derived from the private development, including payments in lieu of taxes ("PILOTS"), shall be deposited into the Board of Education Real Property Improvement and Maintenance Fund. Any proceeds which remain after paying the costs of modernizing Oyster Elementary School shall be used for repair, modernization and improvements of other school system facilities.

(b) Privately owned or used structure, erected or constructed on the Oyster School site, shall annually pay in lieu of taxes an amount that is equivalent to Class II property taxes at 100% of the assessed valuation of the privately owned or used structure.

**Sec. 4. Conforming amendment.**

Section 2(c-1) of the District of Columbia Board of Education Leasing Authority Act of 1982, effective September 29, 1982 (D.C. Law 4-158; D.C. Code § 31-201(c-1)), is amended to read as follows:

"(c-1) All proceeds received by the Board of Education for leasing school properties, including payments in lieu of taxes, shall be deposited into the Board of Education Real Property Improvement and Maintenance Fund established by section 2(b)(1) of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Code § 9-402(b)(1)), and shall be available for expenditure, for the purposes set forth in that act until actually expended."

**Sec. 5. Rulemaking.**

The Mayor, or in a control year, the Chief Financial Officer on behalf of the Mayor, shall issue rules to implement the provisions of this act. The rules shall be submitted to the Council of the District of Columbia within 60 days of enactment of this act.

**Sec. 6. Fiscal impact statement.**

(a) The total estimated cost of the Oyster Elementary School modernization project is:

Modernization/Construction	\$5,500,000
Telecommunications Upgrade, Temporary Moving and Relocation, and Furnishing Costs	600,000
Total Project Cost	<u>\$6,100,000</u>

(b) It is expected that a land lease for the Oyster School modernization and development project will be executed in December of 1996. The land lease is expected to be of at least 70 to 80 years duration. Its value is expected to approximate \$4,140,000, based on an anticipated land lease per unit present value of \$20,000. Once the actual value is determined as a result of the prevailing bid in response to a Request for Proposals ("RFP"), the developer, instead of actually making annual land lease payments to the school system, will repay the value

**ENROLLED ORIGINAL**

of the land lease by performing the construction necessary to modernize Oyster Elementary School. Thereafter, no revenue stream will derive from the land lease insofar as repayment of financing and related costs to modernize Oyster Elementary School will, in effect, constitute full payment for the land lease over its lifetime.

(c) Using standard valuation techniques, the total value of the privately developed portion of the Oyster School modernization and development project is estimated at \$22,021,400, or 80% of total projected hard costs of \$22,021,400, as follows:

Apartment Building	\$17,782,000
Garage	3,823,300
Other Site Work	416,200
Total Project Hard Costs	\$22,021,400
Valuation @ 80%	<u>\$17,617,120</u>

(d) Using a land lease per unit value of \$20,000 for 207 apartment units, the total value of the land lease will approximate \$4,140,000, or \$1,960,000 less than total project costs of \$6,100,000. The difference of \$1,960,000--or the project costs that will not be covered by the value of the land lease--will also be financed by the developer, according to the project's draft RFP at an estimated 10% rate of interest over a 30 year period (though if a School Management and Construction Authority, or some similar entity, is established in the near future, it is likely that the funds borrowed by the developer can be refinanced at a lower annual interest rate). Annual repayments to retire the costs of the developer's additional financing, assuming a 10% annual rate of interest, would approximate \$207,915.

(e) The 207 unit matter-of-right high density apartment building is expected to be constructed and ready for occupancy between July and September 1999. Assuming the property valuation of \$17,617,120 in subsection (c) of this section, and the existing class II real property tax rate of \$1.54 for each \$100 of assessed value, it is projected that annual payments in lieu of taxes (PILOTs) will approximate \$265,000, which would result in a net revenue stream beginning no later than in fiscal year 1999 of some \$57,805, or funds sufficient to leverage borrowing of some \$500,000 at 10% annual interest. Assuming no growth in property valuation or increase in class II real property tax rates, the Oyster School modernization and development project can be expected to generate net revenues of at least \$1,734,150 over the first 30 years of the project, though it is very possible that the net revenues generated from the project could be much higher, especially if the per unit valuation exceeds \$20,000 per unit.

(f) The Oyster School modernization and development project will have no impact on the District's operating or capital budgets until at least fiscal year 1999. All project costs, including financing and borrowing, will be paid off without the expenditure of any public funds. Beginning with fiscal year 1999, net revenues derived from this project and deposited into the Board of Education Real Property Improvement and Maintenance Fund will have to be annually appropriated, in accordance with existing law and practice. Before then, and once the project is

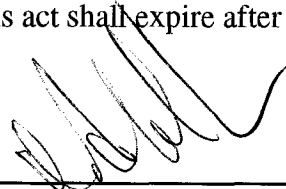
**ENROLLED ORIGINAL**

underway and the timing of a net revenue stream can more accurately be projected, the District's multi-year plan as it pertains to DCPS should be adjusted to reflect the net revenues to be derived annually from this project as well as the amount and types of annual facilities-related costs to be funded from net project revenues.

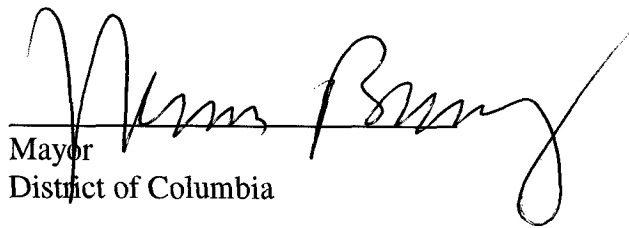
Sec. 7. Effective date.

(a) 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), approval by the Financial Responsibility and Management Assistance Authority as provided in section 203(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 116; D.C. Code § 47-392.3(a)), and a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code § 1-233(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.



\_\_\_\_\_  
Chairman  
Council of the District of Columbia



\_\_\_\_\_  
Mayor  
District of Columbia

APPROVED: October 15, 1996



COUNCIL OF THE DISTRICT OF COLUMBIA

COUNCIL PERIOD ELEVEN

RECORD OF OFFICIAL COUNCIL VOTE

B11-828

Docket No. \_\_\_\_\_

ITEM ON CONSENT CALENDAR

ACTION & DATE

ADOPTED FIRST READING, 07-17-96

VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

CHAVOUS AND SMITH

ABSENT \_\_\_\_\_

ROLL CALL VOTE - Result \_\_\_\_\_

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

*Phyllis Jones*  
Secretary to the Council

*October 3, 1996*  
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE

ADOPTED FINAL READING, 10-01-96

VOICE VOTE

APPROVED

RECORDED VOTE ON REQUEST

LIGHTFOOT

ABSENT \_\_\_\_\_

ROLL CALL VOTE - Result \_\_\_\_\_

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X indicates no

AB - Absent

NV - Present not voting

CERTIFICATION RECORD

*Phyllis Jones*  
Secretary to the Council

*October 3, 1996*  
Date

ITEM ON CONSENT CALENDAR

ACTION & DATE

VOICE VOTE

RECORDED VOTE ON REQUEST

ABSENT \_\_\_\_\_

ROLL CALL VOTE - Result \_\_\_\_\_

Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Clarke					Jarvis					Smith, Jr.				
Brazil					Lightfoot					Thomas, Sr.				
Chavous					Mason					Whittington				
Cropp					Patterson									
Evans					Ray									

X - Indicates Vote

AB - Absent

NV - Present not Voting

CERTIFICATION RECORD

Secretary to the Council

Date