

AN ACT

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Official Code

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the New Convention Center Hotel Omnibus Financing and Development Act of 2006 by modifying certain terms and conditions to facilitate the development of a New Convention Center Hotel.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “New Convention Center Hotel Omnibus Financing and Development Amendment Act of 2008”.

Sec. 2. The New Convention Center Hotel Omnibus Financing and Development Act of 2006, effective September 19, 2006 (D.C. Law 16-163; D.C. Official Code § 10-1221.01 *et seq.*), is amended as follows:

(a) Section 101 (D.C. Official Code § 10-1221.01) is amended as follows:

Amend
§ 10-1221.01

(1) Paragraph (16) is amended to read as follows:

“(16) “New Convention Center Hotel Site” means the real property located in Lots 18, 21, 22, 24, 801 through 806, 830 through 839, 843, and 845, Square 370, bounded by 9th Street, N.W., 10th Street, N.W., L Street, N.W., and Massachusetts Avenue, N.W.”.

(2) Paragraph (18) is amended to read as follows:

“(18) “Project” means the financing, refinancing, or reimbursing of costs incurred for the acquisition, construction, installing, and equipping of a hotel having approximately 1,100 rooms and suites, meeting and ballroom space, and other ancillary facilities customarily found in convention center hotels.”.

(b) Section 102(1) (D.C. Official Code § 10-1221.02(1)) is amended as follows:

Amend
§ 10-1221.02

(1) Strike the phrase “and the expansion of the Washington Convention Center”.

(2) Strike the phrase “provide for additional retail use.”.

(c) Section 103(c) (D.C. Official Code § 10-1221.03(c)) is amended to read as follows:

Amend
§ 10-1221.03

“(c) If, at the end of any fiscal year of the District, the balance of cash and investments in the New Convention Center Hotel Fund exceeds the amounts required under subsection (b) of this section, including the amount of debt service and reserves on the bonds, the excess shall be transferred to the General Fund of the District of Columbia, unless the District elects to use the excess to redeem the bonds prior to maturity, either in whole or in part.”.

ENROLLED ORIGINAL

(d) Section 104(a) (D.C. Official Code § 10-1221.04(a)) is amended to read as follows:

**Amend
§ 10-1221.04**

“(a) There is created a TIF area designated as the New Convention Center Hotel TIF Area. The New Convention Center Hotel TIF Area is defined as the real property located in Lots 18, 21, 22, 24, 801 through 806, 830 through 839, 843, and 845, Square 370, bounded by 9th Street, N.W., 10th Street, N.W., L Street, N.W., and Massachusetts Avenue, N.W. As provided under section 103, the Available Tax Increment from the New Convention Center Hotel TIF Area shall be deposited in the New Convention Center Hotel Fund and may be used as provided herein, including as security for the repayment of the bonds.”

(e) Section 109 (D.C. Official Code § 10-1221.09) is amended by adding a new subsection (d) to read as follows:

**Amend
§ 10-1221.09**

“(d) The District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Official Code § 2-301.01 *et seq.*), and the Financial Institutions Deposit and Investment Amendment Act of 1998, effective March 18, 1998 (D.C. Law 12-56; D.C. Official Code § 47-351.01 *et seq.*), shall not apply to the Financing Documents, Closing Documents, and any other contract the Mayor may from time to time enter into in connection with the Project.”

Sec. 3. The Washington Convention Center Authority Act of 1994, effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1201.01 *et seq.*), is amended as follows:

(a) Section 201(7) (D.C. Official Code § 10-1202.01(7)) is amended to read as follows:

**Amend
§ 10-1202.01**

“(7) “New convention center hotel” means a hotel to be constructed on the real property located in Lots 18, 21, 22, 24, 801 through 806, 830 through 839, 843, and 845, Square 370, bounded by 9th Street, N.W., 10th Street, N.W., L Street, N.W., and Massachusetts Avenue, N.W.”

(b) Section 204(a-1)(1)(B) (D.C. Official Code § 10-1202.04(a-1)(1)(B)) is amended by striking the phrase “and the expansion of the new convention center”.

**Amend
§ 10-1202.04**

(c) Section 702 (D.C. Official Code § 10-1202.22) is amended as follows:

**Amend
§ 10-1202.22**

(1) The lead-in text is amended to read as follows:

“Notwithstanding any other provision of law, the Mayor may grant a lease to Marriott International, Inc., or its designee, of the real property described as Lots 18, 21, 801 through 806, 830 through 839, 843, and 845 in Square 370, including all public alleys to be closed within these lots, on the following terms and conditions:”

(2) Paragraph (1) is amended to read as follows:

“(1) The lease term shall be 99 years, with lease payments beginning in the 4th year of operations; provided, that the commencement of the lease payments may be extended as mutually agreed by the parties.”

(3) Paragraph (2) is amended to read as follows:

“(2) Annual lease payments shall be in an amount to be negotiated by the parties; provided, that the present value of the lease payments during the lease term discounted at 6% shall equal at least \$70.2 million.”

ENROLLED ORIGINAL

(4) Paragraph (3) is repealed.

(5) Paragraph (5) is amended to read as follows:

“(5) A right of first refusal and an option to acquire the District’s fee interest in the real property during the lease term.”.

(d) Section 703 (D.C. Official Code § 10-1202.23) is amended to read as follows:

**Amend
§ 10-1202.23**

“Sec. 703. Lease authority for the Authority.

“Notwithstanding any other provision of law, the Authority may lease to Marriott International, Inc., or its designee, the real property described as Lots 22 and 24, Square 370, on the following terms and conditions:

“(1) The lease term shall be 99 years, with lease payments beginning on the earlier of:

“(A) The commencement of the 4th year of operation of the New Convention Center Hotel; or

“(B) October 1, 2014; provided, that this date may be extended as mutually agreed by the parties.

“(2) Annual lease payments shall be in an amount to be negotiated by the parties; provided, that the present value of the lease payments during the lease term discounted at 6% shall equal at least \$31.5 million.

“(3) A right of first refusal and an option to acquire the Authority’s fee interest in the real property during the lease term.

“(4) The Authority may convey to lessee its fee simple interest to the improvements located on the lots for lessee to own during the lease term.”.

(e) A new section 704 is added to read as follows:

“Sec. 704. Authority for vault space permit.

“Notwithstanding any other provision of law, the Mayor is authorized to issue a permit for vault space adjacent to the real property subject to the lease referenced in sections 702 and 703 in accordance with the District of Columbia Public Space Rental Act, approved October 17, 1968 (82 Stat. 1156; D.C. Official Code § 10-1101.01 *et seq.*), coterminous with such lease and at no additional rent or fee.”.

(f) Section 801 (D.C. Official Code § 10-1202.31) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

**Amend
§ 10-1202.31**

“(1) “New Convention Center Hotel Site” means the real property located in Lots 18, 21, 22, 24, 801 through 806, 830 through 839, 843, and 845, Square 370, bounded by 9th Street, N.W., 10th Street, N.W., L Street, N.W., and Massachusetts Avenue, N.W., Washington, D.C., and public alleys to be closed.”.

(2) Paragraph (3) is amended by striking the phrase “New Convention Hotel Site” and inserting the phrase “New Convention Center Hotel Site” in its place.

(g) Section 802 (D.C. Official Code § 10-1202.32) is amended as follows:

**Amend
§ 10-1202.32**

(1) Paragraph (2) is repealed.

(2) Paragraph (3) is amended to read as follows:

“(3) The construction and development of the New Convention Center Hotel will enable the Center to be more competitive in the convention market, attract increased business, provide for additional retail use, and enhance the financial viability of the Center.”.

(3) Paragraph (4) is amended by striking the phrase “and for the expansion of the New Convention Center”.

(h) Section 803 (D.C. Official Code § 10-1202.33) is amended to read as follows:

**Amend
§ 10-1202.33**

“(a) The Mayor may exercise eminent domain in accordance with the procedures set forth in subchapter II of Chapter 13 of Title 16 of the District of Columbia Official Code to acquire properties in the New Convention Center Hotel Site to construct and develop the New Convention Center Hotel and such other real properties that the Mayor determines are necessary or convenient to construct a connection between the New Convention Center Hotel and the New Convention Center.

“(b) The New Convention Center Hotel shall be constructed for the purpose of enhancing the New Convention Center and, to the extent the Mayor determines feasible, shall be physically connected to the New Convention Center, above or below grade, to permit direct access between the New Convention Center Hotel and the New Convention Center. The New Convention Center Hotel shall be located adjacent to or in close proximity to the New Convention Center and shall have approximately 1,100 rooms and suites, together with meeting and ballroom space, and other ancillary facilities, including retail, customarily found in similar convention center hotels.”.

Sec. 4. Section 47-4609 of the District of Columbia Official Code is amended as follows:

**Amend
§ 47-4609**

(a) Subsection (a) is amended to read as follows:

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

“(1) “New Convention Center Hotel TIF Area” means the real property located in Lots 18, 21, 22, 24, 801 through 806, 830 through 839, 843, and 845, Square 370, bounded by 9th Street, N.W., 10th Street, N.W., L Street, N.W., and Massachusetts Avenue, N.W.

“(2) “Project” means the financing, refinancing, or reimbursing of costs incurred for the acquisition, construction, installing, and equipping of a hotel having approximately 1,100 rooms and suites, meeting and ballroom space, and other ancillary facilities customarily found in convention center hotels.”.

(b) Subsection (b) is amended to read as follows:

“(b) All transfers of real property in the New Convention Center Hotel TIF Area pursuant to the project and through the date that is 6 months after the effective date of the lease authorized under title VII of the Washington Convention Center Authority Act of 1994, effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1201.01 *et seq.*), and any transfer by the District of Lot 45 in Square 374 in connection with the project.”.

Sec. 5. Off-set of fiscal year 2008 budgetary impact.

The Office of the Chief Financial Officer shall off-set the fiscal year 2008 budgetary impact of this bill through a reduction in budget authority under the heading “debt service” in the District of Columbia Appropriations Act of 2008.

Sec. 6. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer 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. 7. 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