

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To authorize the disposition of real property for, and the issuance of tax increment financing bonds to support a mixed-use development project on Square 441.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Disposition and Redevelopment of Lot 854 in Square 441 Approval Act of 2008”.

**TITLE I. DISPOSITION**

**Sec. 101. Approval of disposition.**

Notwithstanding section 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. Official Code § 10-801), the Mayor may sell Lot 854, Square 441 (“Property”) as follows:

(1) To Broadcast Center Partners, LLC and Broadcast Residential Partners, LLC, in fee simple, in addition to any appurtenant easements necessary or convenient to construct improvements on the Property, pursuant to a negotiated land disposition agreement upon terms and conditions the Mayor finds to be in the best interests of the District, including the reservation of rights or the exclusion of such portions of the Property necessary or convenient for the operation of the Metrorail Station situated on the Property; and

(2) With respect to any rights or portion of the Property not conveyed pursuant to paragraph (1) of this subsection, to the Washington Metropolitan Area Transit Authority (“WMATA”), through a confirmatory deed or other fee simple transfer, the real property described in the unrecorded special warranty deed dated June 12, 1991 from RLA Revitalization Corporation to WMATA (“1991 Special Warranty Deed”), and the Mayor may include in the conveyance to WMATA any real property currently occupied or used in connection with its operations, including operation and maintenance of the Metrorail Station situated on the Property, not otherwise described in the 1991 Special Warranty Deed; provided, that, if the land square footage that WMATA requires for its operations exceeds 4,146 square feet, which was the square footage contemplated in the 1991 Special Warranty Deed, the Mayor may convey to WMATA in fee simple, by lease or easement,

such excess land at fair market value to be determined by a standard land appraisal method.

**TITLE II. TAX INCREMENT FINANCING**

**Sec. 201. Definitions.**

For the purposes of this title, the term:

(1) "Authorized Delegate" means the Deputy Mayor for Planning and Economic Development, the Chief Financial Officer, the Treasurer of the District of Columbia, or any officer or employee of the executive office of the Mayor to whom the Mayor has delegated any of the Mayor's functions under this act pursuant to section 422(6) of the Home Rule Act.

(2) "Available Real Property Tax Revenues" means the revenues resulting from the imposition of the tax provided for in Chapter 8 of Title 47 of the District of Columbia Official Code, inclusive of any penalties and interest charges, and exclusive of the special tax, provided for in section 481 of the Home Rule Act, pledged to payment of general obligation indebtedness of the District.

(3) "Available Sales Tax Revenues" means the revenues resulting from the imposition of the tax under Chapter 20 of Title 47 of the District of Columbia Official Code, including penalty and interest charges, exclusive of the portion thereof required to be deposited in the Washington Convention Center Fund established pursuant to section 208 of the Washington Convention Center Authority Act of 1994, effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.08).

(4) "Available Tax Increment" means the sum of the Available Sales Tax Revenues and Available Real Property Tax Revenues generated in the Broadcast Center One TIF Area in any fiscal year of the District minus the sum of Available Sales Tax Revenues and Available Real Property Tax Revenues generated in the Broadcast Center One TIF Area in the base year.

(5) "Bond Counsel" means a firm or firms of attorneys designated as bond counsel from time to time by the Mayor.

(6) "Bonds" means the District of Columbia revenue bonds, notes, or other obligations (including refunding bonds, notes, and other obligations), in one or more series, authorized to be issued pursuant to this act.

(7) "Broadcast Center One TIF Area" means the real property designated as Lots 21, 66, 67, 68, 97, 814, 815, and 854, Square 441.

(8) "Council" means the Council of the District of Columbia.

(9) "Chief Financial Officer" means the Chief Financial Officer established pursuant to section 424(a)(1) of the Home Rule Act.

(10) "Chairman" means the Chairman of the Council of the District of Columbia.

(11) "Closing Documents" means all documents and agreements, other than Financing Documents, that may be necessary and appropriate to issue, sell, and deliver the bonds, and includes agreements, certificates, letters, opinions, forms, receipts, and other similar instruments.

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(12) “Development costs” shall have the same meaning as in section 2(13) of the Tax Increment Financing Authorization Act of 1998, effective September 11, 1998 (D.C. Law 12-143; D.C. Official Code § 2-1217.01(13)).

(13) “Development Sponsor” means Broadcast Residential Partners, LLC, a District of Columbia limited liability company, and Broadcast Center Partners, LLC, a District of Columbia limited liability company, collectively.

(14) “District” means the District of Columbia.

(15) “Financing Documents” means the documents, other than Closing Documents, that relate to the financing or refinancing of transactions to be effected through the issuance, sale, and delivery of the bonds, including any offering document, and any required supplements to any such documents.

(16) “Home Rule Act” means the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 774; D.C. Official Code § 1-201.01 *et seq.*).

(17) “Project” means the financing, refinancing, or reimbursing of costs incurred for the acquisition, construction, installing, and equipping of a mixed-use project consisting of retail, commercial, and residential space, and structure parking in the Broadcast Center One TIF Area.

(18) “TIF” means tax increment financing.

(19) “TIF Note” means a note, the payment of which is secured by the pledge of Available Tax Increment.

**Sec. 202. Creation of the Broadcast Center One Fund.**

(a) There is established as a nonlapsing fund the Broadcast Center One Fund, which shall be used as provided in subsection (c) of this section. The Chief Financial Officer shall deposit into the Broadcast Center One Fund the Available Tax Increment and any other taxes or fees specifically designated by statute for deposit in the Broadcast Center One Fund.

(b) The Mayor may pledge and create a security interest in the funds in the Broadcast Center One Fund, or any sub-account or sub-accounts within the Broadcast Center One Fund, for the payment of the costs of carrying out any of the purposes described in subsection (c) of this section without further action by the Council as permitted by section 490(f) of the Home Rule Act. If bonds are issued, such payment will be made in accordance with the provisions of the Financing Documents entered into by the District in connection with the issuance of the bonds.

(c) The funds deposited in the Broadcast Center One Fund may be used to:

(1) Secure the repayment of the bonds; and

(2) Finance, refinance, or reimburse the District or the Development Sponsor for costs of the project.

(d) All funds deposited into the Broadcast Center One Fund, and any interest earned thereon, shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time, but shall be continually available for the uses and purposes set forth in subsection (c) of this section without regard to fiscal year

limitations, subject to authorization by Congress.

**Sec. 203. Creation of the Broadcast Center One TIF Area.**

(a) There is hereby created a TIF area designated the Broadcast Center One TIF Area. The Broadcast Center One TIF Area is defined as the real property designated as Lots 21, 66, 67, 68, 97, 814, 815, and 854, Square 441. As provided under section 202, the Available Tax Increment from the Broadcast Center One TIF Area shall be deposited in the Broadcast Center One Fund and may be used for the purposes set forth in section 202.

(b)(1) The base year for determination of Available Sales Tax Revenues from locations within the Broadcast Center One TIF Area shall be the tax year preceding the year in which this act becomes effective.

(2) The base year for determination of Available Real Property Tax Revenues shall be the tax year of the District when this act becomes effective and the initial assessed value to be used in making the determination of Available Real Property Tax Revenues shall be the assessed value of each lot of taxable real property in the Broadcast Center One TIF Area for the tax year in which this act becomes effective.

**Sec. 204. Bond authorization.**

(a) The Council approves and authorizes the issuance of one or more series of bonds in an aggregate amount not to exceed \$8 million to fund costs of the project, the financing costs and costs of issuance, capitalized interest, establishment of debt service or other reserve funds related to the bonds, and any other debt program-related costs as determined by the Chief Financial Officer. The amount of \$6.5 million shall be allocated to the Development Sponsor for development costs.

(b) The bonds, which may be issued from time to time, in one or more series, shall be tax-exempt or taxable as the Mayor shall determine and shall be payable from and secured by the Available Tax Increment and other funds deposited in the Broadcast Center One Fund.

(c) The Mayor is authorized to pay from the proceeds of the bonds the costs and expenses of issuing and delivering the bonds, including, but not limited to, underwriting, rating agency fees, legal fees, accounting fees, financial advisory fees, trustee and paying agent fees, collection agent fees, bond insurance and other credit enhancements, liquidity enhancements, printing costs and expenses,

**Sec. 205. Bond details.**

(a) The Mayor may take any action reasonably necessary or appropriate in accordance with this act in connection with the preparation, execution, issuance, sale, delivery, security for, and payment of the bonds of each series, including, but not limited to, determinations of:

(1) The final form, content, designation, and terms of the bonds, including a determination that the bonds may be issued in certificated or book-entry form;

(2) The principal amount of the bonds to be issued and denominations of the

bonds;

(3) The rate or rates of interest or the method for determining the rate or rates of interest on the bonds;

(4) The date or dates of issuance, sale, and delivery of, and the payment of interest on the bonds, and the maturity date or dates of the bonds;

(5) The terms under which the bonds may be paid, optionally or mandatorily redeemed, accelerated, tendered, called, or put for redemption, repurchase, or remarketing before their respective stated maturities;

(6) Provisions for the registration, transfer, and exchange of the bonds and the replacement of mutilated, lost, stolen, or destroyed bonds;

(7) The creation of any reserve fund, sinking fund, or other fund with respect to the bonds;

(8) The time and place of payment of the bonds;

(9) Procedures for monitoring the use of the proceeds received from the sale of the bonds to ensure that the proceeds are properly applied and used to accomplish the purposes of the Home Rule Act and this act;

(10) Actions necessary to qualify the bonds under blue sky laws of any jurisdiction where the bonds are marketed; and

(11) The terms and types of credit enhancement under which the bonds may be secured.

(b) The bonds shall contain a legend, which shall provide that the bonds are special obligations of the District, are without recourse to the District, are not a pledge of, and do not involve, the faith and credit or the taxing power of the District (other than the Available Tax Increment and any other taxes and fees allocated to the Broadcast Center One Fund), do not constitute a debt of the District, and do not constitute lending of the public credit for private undertakings as prohibited in section 602(a)(2) of the Home Rule Act.

(c) The bonds shall be executed in the name of the District and on its behalf by the manual or facsimile signature of the Mayor, and attested by the Secretary of the District of Columbia by the Secretary's manual or facsimile signature.

(d) The official seal of the District, or a facsimile of it, shall be impressed, printed, or otherwise reproduced on the bonds.

(e) The bonds of any series may be issued in accordance with the terms of a trust instrument to be entered into by the District and a trustee or paying agent to be selected by the Mayor, and may be subject to the terms of one or more agreements entered into by the Mayor pursuant to section 490(a) (4) of the Home Rule Act.

(f) The bonds may be issued at any time or from time to time in one or more issues and in one or more series.

(g) The bonds are declared to be issued for essential public and governmental purposes. The bonds and the interest thereon and the income therefrom, and all monies pledged or available to pay or secure the payment of the bonds, shall at all times be exempt from taxation by

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the District, except for estate, inheritance, and gift taxes.

(h) The District hereby pledges, covenants, and agrees with the holders of the bonds that, subject to the provisions of the Financing Documents, the District will not limit or alter the revenues pledged to secure the bonds or the basis on which such revenues are collected or allocated, will not impair the contractual obligations of the District to fulfill the terms of any agreement made with the holders of the bonds, will not in any way impair the rights or remedies of the holders of the bonds, and will not modify, in any way, the exemptions from taxation provided for in this act, until the bonds, together with interest thereon, and all costs and expenses in connection with any suit, action, or proceeding by or on behalf of the holders of the bonds, are fully met and discharged. This pledge and agreement for the District may be included as part of the contract with the holders of the bonds. This subsection constitutes a contract between the District and the holders of the bonds. To the extent that any acts or resolutions of the Council may be in conflict with this act, this act shall be controlling.

(i) Consistent with section 490(a)(4)(B) of the Home Rule Act and notwithstanding D.C. Official Code § 28:9-101 *et seq.*:

(1) A pledge made, and security interest created, in respect of the bonds or pursuant to any related Financing Document shall be valid, binding, and perfected from the time the security interest is created, with or without physical delivery of any funds or any property and with or without any further action;

(2) The lien of the pledge shall be valid, binding, and perfected as against all parties having any claim of any kind in tort, contract, or otherwise against the District, whether or not such party has notice; and

(3) The security interest shall be valid, binding, and perfected whether or not any statement, document, or instrument relating to the security interest is recorded or filed.

**Sec. 206. Issuance of the bonds.**

(a) The bonds of any series may be sold at negotiated or competitive sale at, above, or below par, to one or more persons or entities, and upon terms that the Mayor considers to be in the best interests of the District.

(b) The bonds also may be issued as a TIF note to the Development Sponsor and may be held and used as security for debt incurred or to be incurred by the Development Sponsor, an agent of the Development Sponsor, or another party selected by the Development Sponsor.

(c) The Mayor or an Authorized Delegate may execute, in connection with each sale of the bonds, offering documents on behalf of the District, may deem final any such offering document on behalf of the District for purposes of compliance with federal laws and regulations governing such matters, and may authorize the distribution of the documents in connection with the sale of the bonds.

(d) The Mayor is authorized to deliver executed and sealed bonds, on behalf of the District, for authentication, and, after the bonds have been authenticated, to deliver the bonds to the original purchasers of the bonds upon payment of the purchase price.

(e) The bonds shall not be issued until the Mayor receives an approving opinion from Bond Counsel as to the validity of the bonds of such series and, if the interest on the bonds is expected to be exempt from federal income taxation, the treatment of the interest on the bonds for purposes of federal income taxation.

(f) 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 subchapter III of Chapter 3 of Title 47 of the District of Columbia Official Code shall not apply to any contract the Mayor may from time to time enter into or the Mayor may determine to be necessary or appropriate, for purposes of this act.

**Sec. 207. Payment and security.**

(a) Except as may be otherwise provided in this act, the principal of, premium, if any, and interest on, the bonds shall be payable solely from proceeds received from the sale of the bonds, income realized from the temporary investment of those proceeds, receipts and revenues realized by the District from the Broadcast Center One Fund, income realized from the temporary investment of those receipts and revenues prior to payment to the bond owners, and other moneys that, as provided in the Financing Documents, may be made available to the District for payment of the bonds from sources other than the District, all as provided for in the Financing Documents.

(b) Payment of the bonds shall be secured as provided in the Financing Documents and by an assignment by the District for the benefit of the bond owners of certain of its rights under the Financing Documents and Closing Documents to the trustee for the bonds pursuant to the Financing Documents.

(c) The trustee or paying agent is authorized to deposit, invest, and disburse the proceeds received from the sale of the bonds pursuant to the Financing Documents.

**Sec. 208. Financing and Closing Documents.**

(a) The Mayor is authorized to prescribe the final form and content of all Financing Documents and all Closing Documents to which the District is a party that may be necessary or appropriate to issue, sell, and deliver the bonds.

(b) The Mayor is authorized to execute, in the name of the District and on its behalf, the Financing Documents and any Closing Documents to which the District is a party by the Mayor's manual or facsimile signature.

(c) If required, the official seal of the District, or a facsimile of it, shall be impressed, printed, or otherwise reproduced on the bonds, the other Financing Documents, and the Closing Documents to which the District is a party.

(d) The Mayor's execution and delivery of the Financing Documents and the Closing Documents to which the District is a party shall constitute conclusive evidence of the Mayor's approval, on behalf of the District, of the final form and content of the executed Financing Documents and the executed Closing Documents.

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(e) The Mayor is authorized to deliver the executed and sealed Financing Documents and Closing Documents, on behalf of the District, prior to or simultaneously with the issuance, sale, and delivery of the bonds, and to ensure the due performance of the obligations of the District contained in the executed, sealed, and delivered Financing Documents and Closing Documents.

**Sec. 209. Limited liability.**

(a) The bonds shall be special obligations of the District. The bonds shall be without recourse to the District. The bonds shall not be general obligations of the District, shall not be a pledge of or involve the faith and credit or the taxing power of the District (other than the Available Tax Increment and any other taxes or fees allocated to the Broadcast Center One Fund), shall not constitute a debt of the District, and shall not constitute lending of the public credit for private undertakings as prohibited in section 602(a)(2) of the Home Rule Act.

(b) The bonds shall not give rise to any pecuniary liability of the District and the District shall have no obligation with respect to the purchase of the bonds.

(c) No person, including, but not limited to, any bond owner, shall have any claims against the District or any of its elected or appointed officials, officers, employees, or agents for monetary damages suffered as a result of the failure of the District to perform any covenant, undertaking, or obligation under this act, the bonds, the Financing Documents, or the Closing Documents, or as a result of the incorrectness of any representation in or omission from the Financing Documents or the Closing Documents, unless the District or its elected or appointed officials, officers, employees, or agents have acted in a willful and fraudulent manner.

**Sec. 210. District officials.**

(a) Except as otherwise provided in section 209(c), the elected or appointed officials, officers, employees, or agents of the District shall not be liable personally for the payment of the bonds or be subject to any personal liability by reason of the issuance of the bonds, or for any representations, warranties, covenants, obligations, or agreements of the District contained in this act, the bonds, the Financing Documents, or the Closing Documents.

(b) The signature, countersignature, facsimile signature, or facsimile countersignature of any official appearing on the bonds, the Financing Documents, or the Closing Documents shall be valid and sufficient for all purposes notwithstanding the fact that the individual signatory ceases to hold that office before delivery of the bonds, the Financing Documents, or the Closing Documents.

**Sec. 211. Maintenance of documents.**

Copies of the specimen bonds and of the final Financing Documents and Closing Documents shall be filed in the Office of the Secretary of the District of Columbia.



Sec. 212. Information reporting.

Within 3 days after the Mayor's receipt of the transcript of proceedings relating to the issuance of the bonds, the Mayor shall transmit a copy of the transcript to the Secretary to the Council.

**TITLE III. FISCAL IMPACT AND EFFECTIVE DATE**

Sec. 301. Inclusion in the budget and financial plan.

This act shall apply upon the inclusion of its fiscal effect in an approved budget and financial plan.

Sec. 302. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer, dated December 11, 2007, 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. 303. 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.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia