

AN ACT

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Columbia
Official Code

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Washington Convention Center Authority Act of 1994 to reinsert lease provisions for the new convention center hotel, to authorize the grant of easements to and the use by the new convention center hotel of the new convention center vault space and real property titled in the name of the District in Squares 400, 402, and 424, and to authorize an underground airspace lease in addition to vault permits; to amend section 47-4609 of the District of Columbia Official Code to insert a phrase related to a tax exemption; and to approve the Hotel Development and Funding Agreement and the Pedestrian Connector Agreement.

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

Sec. 2. 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:

Amend
§ 10-1202.22

(a) Section 702 (D.C. Official Code § 10-1202.22) is amended by adding a new paragraph (6) to read as follows:

“(6) The lease may be subordinated to a leasehold mortgage securing development financing for the developer and may permit the issuance of a new lease upon foreclosure on the same terms and conditions as the prior lease.”.

(b) Section 703 (D.C. Official Code § 10-1202.23) is amended by adding new paragraphs (5) and (6) to read as follows:

Amend
§ 10-1202.23

“(5) Lease payments shall be payable from cash available after payment of the developer’s debt service on a loan for the new convention center hotel.

“(6) The lease may be subordinated to a leasehold mortgage securing development financing for the developer and may permit the issuance of a new lease upon foreclosure on the same terms and conditions as the prior lease.”.

(c) New sections 703a and 703b are added to read as follows:

“Sec. 703a. Use of new convention center vault space.

“(a) Notwithstanding any other provision of law, with respect to the airspace located below the portion of N Street, N.W., between 7th and 9th Streets, N.W., the portion of 9th Street, N.W., between and including N Street, N.W., and Massachusetts Avenue, N.W., and the adjoining sidewalks abutting the new convention center in which the Authority was permitted to construct, and has constructed, a portion of the new convention center, including loading docks, access ramps, and associated driveways, the Authority may enter into one or more agreements with Marriott International, Inc., or its designee, to permit Marriott International, Inc., or its designee to:

“(1) Use the new convention center’s access ramp and associated driveways and entrances thereto for such purposes as may be authorized by the Authority;

“(2) Construct, operate, and maintain within the airspace an access way from the new convention center’s access ramp and associated driveways for the purpose of entering and exiting from the proposed loading docks of the new convention center hotel and such other purposes as may be authorized by the Authority; and

“(3) Construct, operate, and maintain within such airspace a pedestrian connector between the new convention center hotel and the new convention center and for such other purposes as may be authorized by the Authority.

“(b) The agreement regarding the pedestrian connector authorized under subsection (a) of this section may provide that Marriott International, Inc., or its designee, shall be responsible for the operation and maintenance of the pedestrian connector and, if so provided, that the Authority shall pay 50% of the costs to operate and maintain the pedestrian connector.

“Sec. 703b. Grant of easements over District property.

“(a) Notwithstanding any other provision of law, with respect to the lots in Squares 400, 402, and 424 titled in the name of the District in which the Authority was permitted to construct, and has constructed, a portion of the new convention center, including loading docks, access ramps, and associated driveways and entrances thereto, the Authority may enter into one or more agreements with Marriott International, Inc., or its designee, to grant, as an appurtenance to the new convention center hotel site (including any public or private alleys closed or to be closed in connection with the development of the new convention center hotel), the following easements and uses:

“(1) An ingress and egress easement over and across the new convention center’s access ramp and associated driveways and entrances thereto for such purposes as may be authorized by the Authority; and

“(2) A temporary construction easement over the new convention center’s access ramp and associated driveways and entrances thereto for the construction of a pedestrian connector between the new convention center hotel and the new convention center, together with an easement for ingress and egress over and through the pedestrian connector to and from the new convention center hotel and the new convention center and for such other purposes as may be authorized by the Authority.”

(d) Section 704 (D.C. Official Code § 10-1202.24) is amended to read as follows:

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“Sec. 704. Authority for vault space permit or airspace lease.

Amend
§ 10-1202.24

“Notwithstanding any other provision of law, the Mayor may issue a permit or airspace lease to Marriott International, Inc., or its designee, for vault space or airspace adjacent to the real property subject to the leases authorized by sections 702 and 703, having a term not to exceed 99 years, or such longer period as may be otherwise determined by the Mayor, and at no additional rent or fee, except as may be otherwise determined by the Mayor, but otherwise 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.*), and the District of Columbia Public Space Utilization Act, approved October 17, 1968 (82 Stat. 1166; D.C. Official Code § 10-1121.01 *et seq.*), as applicable.”.

Sec. 3. Section 47-4609(b) of the District of Columbia Official Code is amended by striking the period at the end and inserting the phrase “shall be exempt from the taxes imposed by §§ 42-1103 and 47-903” in its place.

Amend
§ 47-4609

Sec. 4. Contract approval.

Pursuant to section 451 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51), and notwithstanding section 105a of the District of Columbia Procurement Practices Act of 1985, effective March 8, 1991 (D.C. Law 8-257; D.C. Official Code § 2-301.05a), the Council approves the Hotel Development and Funding Agreement by and among the District of Columbia, Washington Convention Center Authority, and HQ Hotel, LLC, in an amount not to exceed \$187 million, the amount previously approved by the Council pursuant to the New Convention Center Hotel Omnibus Financing and Development Act of 2006, effective September 19, 2006 (D.C. Law 16-163; 53 DCR 5430), and the Pedestrian Connector Agreement by and between the Washington Convention Center Authority and HQ Hotel, LLC, as both a multiyear contract and a contract involving expenditures in excess of \$1 million during a 12-month period.

Sec. 5. 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. 6. 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

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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