


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: December 17, 2019

SUBJECT: Fiscal Impact Statement – Deputy Mayor for Planning and Economic Development Limited Grant Making Authority for Check It Enterprises Amendment Act of 2019

REFERENCE: Bill 23-404, Draft Committee Print as shared with the Office of Revenue Analysis on December 17, 2019

Conclusion

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill.

Background

The bill expands the Deputy Mayor for Planning and Economic Development's (DMPED) grant making authority to include grants to Check It Enterprises (Check It),¹ an organization located in Ward 8, for the purpose of purchasing three properties located along Martin Luther King, Jr. Avenue, S.E.² These properties are currently leased by Check It, We Act Radio,³ and The District Culture.⁴ DMPED must include in the grant agreement with Check It that the organization will enter into lease agreements of no less than five years with We Act Radio and The District Culture following its

¹ <https://www.checkitenterprises.com/>

² The properties are 1918, 1920, and 1922 Martin Luther King, Jr. Avenue, S.E. These are known for assessment and tax purposes as Square 5769, Lots 851, 852, and 853.

³ <http://www.weactradio.com/> located at 1218 Martin Luther, King Jr. Avenue, S.E.

⁴ <http://www.liveanacostia.com/shopping/district-culture> located at 1922 Martin Luther King, Jr. Avenue, S.E.

The Honorable Phil Mendelson

FIS: Bill 23-404, "Deputy Mayor for Planning and Economic Development Limited Grant Making Authority for Check It Enterprises Amendment Act of 2019," Draft Committee Print as shared with the Office of Revenue Analysis on December 17, 2019

acquisition of the properties⁵ and offer lease rates identical to those each organization paid prior to the Check It acquisition. Check It can also offer to each organization an optional lease extension of no less than five years that includes a rate increase of no more than 5 percent.

If We Act Radio or The District Culture cease operations at this location, then Check It must either lease the properties to other social enterprises⁶ or repay the grant to the District. To enforce this provision the Mayor can pursue any available remedies under law. The bill also grants the District the right of first refusal if Check It seeks to sell the property.

Financial Plan Impact

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The bill authorizes DMPED to issue grants to Check It for the acquisition of three properties along Martin Luther King, Jr. Avenue, S.E. The fiscal year 2020 budget includes \$2 million for DMPED to issue these grants, but the funding is currently part of the Paygo capital budget⁷ and needs to be reprogrammed to the operating budget. There are no costs associated with giving DMPED this grant making authority, but DMPED will not have funds to grant until the reprogramming is approved.

⁵ This includes a right to return if Check It makes any capital improvements to the properties. Any contracts for capital improvements to the properties are subject to the requirements of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02 et seq.) and the First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.01 et seq.).

⁶ Social enterprises are for- and non-profit organizations that advance social goals.

⁷ The funds are budgeted in the Historic Anacostia Facility Acquisition project in the fiscal year 2020 to fiscal year 2025 Capital Improvements Plan.