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OFFICE OF THE  
SECRETARY

**MURIEL BOWSER**  
MAYOR

DEC 13 2018

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

Dear Chairman Mendelson:

Please find enclosed for consideration and approval by the Council of the District of Columbia (the "Council"), pursuant to § 451 of the District of Columbia Home Rule Act, a proposed Sublease by and between the District of Columbia and Charter School Incubator Initiative for approximately 63,000 rentable square feet of school space located at 2501 Martin Luther King Jr. Avenue, SE in Washington, DC. The subleased premises would be occupied by the District of Columbia Public Schools.

I urge the Council to take prompt and favorable action on this proposed contract. If you have any questions, please contact Keith Anderson, Acting Director, Department of General Services, at (202) 727-2800.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser".

Muriel Bowser

Enclosures

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF GENERAL SERVICES**



**COUNCIL REAL ESTATE CONTRACT SUMMARY**

November 16, 2018

Please note that any capitalized term used but not defined in this Summary shall have the meaning given to such term in the proposed real estate contract.

- 1. The name of the proposed lessor, lessee, grantor or other party to the proposed real estate contract, the type of real estate contract, the source selection method, the primary term of the real estate contract (if applicable), and the consideration to be paid by the District (for leases, the total annual rent for the first year and the fiscal years set forth in the Funding Certification):**

Contract Party Name:	Charter School Incubator Initiative, a District of Columbia non-profit corporation (“Sublessor”)
Type of Real Estate Contract:	Sublease (District is subtenant)
Location of Real Property:	2501 Martin Luther King Jr. Avenue, SE
Source Selection Method:	Non-Competitive
Primary Term (if applicable):	1 year and 7 months
Consideration to be paid by District (if applicable):	
- First Sublease Year:	\$904,166.69
- Certificate of Funding Amounts:	
Fiscal Year 2019:	\$1,187,502.00

- 2. If the real estate contract is a lease, a breakdown of the Annual Rental for the first Lease Year set forth above, the scheduled escalations thereof and known first Lease Year Additional Rent obligations (e.g., parking and supplemental HVAC costs):**

	\$/RSF	Total Amount for First Sublease Year	Annual Escalations (as of August 1, 2019)
<b>Rent</b>	N/A	\$904,166.69	2%

<b>Known Additional Rent Obligations for First Sublease Year</b>			
Overtime HVAC Costs	\$55.00 per hour	Total for first Sublease Year will depend on usage.	

- 3. If the real estate contract is a lease, a description of any options to renew the primary lease term set forth above, the contract amount for the primary lease term and each option period (and an explanation of any difference), and a description of any options to purchase the real property:**

The Sublease includes one (1) option for the District to extend the initial term by one (1) year. Commencing on August 1, 2019, the annual Rent shall escalate at rate of 2% of the Rent in effect for the prior month. The Rent for the Option Period shall be based upon such 2% annual escalations. The Sublease does not include any option to purchase the real property, as this is a District-owned property.

**4. A description of the real property to be acquired, developed or leased, including any applicable improvements:**

Street Address:	2501 Martin Luther King Jr. Avenue, SE
Square/Lot Number:	Square 5862 / Lot 0960
Total RSF of Building:	77,798 RSF
Total RSF of Premises:	63,000 RSF

Description of Improvements: The subject property is improved with a three-story building, used as an educational facility. The District of Columbia Public Schools (“DCPS”) will occupy 63,000 RSF on the ground, first, second and third floors of the building.

**5. A description of the District’s specific real property need associated with the proposed real estate contract and the selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past performance components:**

On January 11, 2018 the Public Charter School Board voted to revoke the charter of Excel Academy, which operated in premises subleased from Sublessor. Based upon Excel Academy’s unique role as the District’s only all-girl public school, DCPS decided to assume Excel’s operations and operate the program as a DCPS school. In order to ensure continuity for the students of Excel Academy, DCPS requested that DGS enter into the proposed Sublease with Sublessor for such continued operations. The Sublease prevents disruption to the students of Excel Academy by allowing them to continue their schooling in the same building within the District. Currently, the entirety of the building in which the Sublease premises is located is owned by the District and leased to Sublessor through a Ground Lease Agreement. The District is currently occupying the Premises pursuant to a License Agreement, which expires on December 31, 2018. In order to avoid a disruption in the middle of the school year, the Sublease needs to be effective no later than January 1, 2019.

**6. The background and qualifications of the proposed contract party, including its organization, financial stability, personnel, and performance on past or current real estate contracts with requirements similar to those of the proposed contract:**

As stated above, Charter School Incubator Initiative currently leases the entirety of the property from the District through a Ground Lease Agreement. Additionally, Charter School Incubator Initiative is a tenant under six (6) ground leases with the District of Columbia. As a tenant, the Charter School Incubator Initiative has performed satisfactorily.

**7. Expected outcomes of the proposed real estate contract:**

The execution of the proposed real estate contract is expected to result in the occupancy by DCPS of the subject space for 1 year and 7 months, and possibly an additional 1 year pursuant to the extension option.

**8. A statement that suitable space owned by the District is not available or cannot be reasonably renovated or altered:**

Based upon an evaluation of space owned by the District, there is no suitable space owned by the District, either as-is, or which can reasonably be renovated or altered, which would meet the needs of the District under the proposed real estate contract.

**9. ANC notice of the proposed real estate contract:**

DGS provided written notice, dated October 23, 2018 to ANC 8C06, ANC 8C07 and Councilmember Trayon White, regarding the proposed real estate contract, as required by applicable law. The notice provides the ANC with an opportunity to provide written recommendations regarding the proposed contract within thirty (30) business days. To date, DGS has not received any written recommendations regarding the proposed contract from the ANC. Pursuant to applicable law, if DGS receives any such recommendations, DGS will give them great weight and provide a written response to the ANC addressing any issues and concerns.

**10. A certification that the proposed real estate contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with §§ 47-392.01 and 47-392.02:**

The Office of the Chief Financial Officer has certified the availability of funds for the proposed real estate contract. Please see the attached Funding Certification.

**11. A certification that the proposed real estate contract is legally sufficient:**

The Office of the General Counsel for the Department of General Services has certified that the proposed real estate contract is legally sufficient. Please see the attached Legal Sufficiency Certification.

**12. A certification as to whether the proposed contract party has any currently pending legal claims against the District:**

According to the District's Office of the Attorney General and based upon a certification from Sublessor, Sublessor does not have any legal claims currently pending against the District.

**13. A certification that the Citywide Clean Hands database indicates that the proposed contract party is current with its District taxes:**

The proposed contract party is current with its District of Columbia taxes. Please see the attached Citywide Clean Hands certificate.

**14. A certification from the proposed contract party that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:**

Based upon a certification from Sublessor, Sublessor is current with its federal taxes or has worked out and is current with a payment schedule approved by the federal government.

**15. The status of the proposed contract party as a certified local, small, or disadvantaged business enterprise, as defined in subchapter IX-A of Chapter 2 of title § 2-218.01 et seq.:**

The proposed contract party is not a certified local, small, or disadvantaged business enterprise.



Government of the District of Columbia

## CERTIFICATE OF CLEAN HANDS

CHARTER SCHOOL INCUBATOR INITIATIVE  
910 17TH ST NW STE 1100  
WASHINGTON, DC 20006-2619

EIN : \*\*\*\*\*6150

As reported in the Citywide Clean Hands system, the above referenced individual or entity has no outstanding liability with the District of Columbia. As of the date herein, you have complied with the following official DC code and therefore are issued this Certificate of Clean Hands.

TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS AND FEES  
CHAPTER 28. GENERAL LICENSE LAW  
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT  
D.C. Code § 47-2862 (2006)  
§ 47-2862. Prohibition against issuance of license or permit.

Authorized By Marc Aronin  
Chief, Collection Division

Date: Wednesday this 31st day of October 2018 08:53 AM

Tracking#: 898225

This document is a certified, complete and true copy.

**OFFICE OF THE CHIEF FINANCIAL OFFICER  
GOVERNMENT OPERATIONS CLUSTER**

**OFFICE OF FINANCE & RESOURCE MANAGEMENT**

Massimo Marchiori  
Agency Fiscal Officer



Angelique Rice  
Associate Chief Financial Officer

Agency Budget: Department of General Services (AM0)

Occupying Agency: District of Columbia Public Schools (GA0)

Funds Needed: \$ 1,187,502.00

Purpose: The funds are needed for a sublease at 2501 Martin Luther King Jr. Avenue, SE in Washington, DC (Ward 8) for the District of Columbia Public Schools (DCPS). This agreement allows DCPS to utilize 63,000 square feet which will allow DCPS to maintain continuity and stability for over 600 students that attended Excel Academy. DCPS will remain in the space for 1 year and 7 months until it can find another permanent facility to relocate. Funding in the amount of \$1,187,502.00 is required for FY 2019.

Certification: This is to certify that DGS has funding available in its FY 2019 budget. Funding for FY 2020 will be captured during the normal budgeting process.

Total Annual:

Cost of Obligation FY 19 \$ 1,187,502.00

Lease Term: 1 year, 7 months

  
Massimo Marchiori

  
Date

Cc: Angelique Rice, Associate Chief Financial Officer, GOC  
Henry Wong, Budget Director, DGS

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF GENERAL SERVICES



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Office of the General Counsel

MEMORANDUM

**TO:** Alana Intrieri  
Director, Office of Policy and Legislative Affairs

**THROUGH:** Beth-Sherri Akyereko *BST*  
Interim General Counsel, Department of General Services

**FROM:** Tara Mitchell  
Assistant General Counsel, Department of General Services

**SUBJECT:** Legal Sufficiency Certification for Proposed Sublease by and between the District and the Charter School Incubator Initiative, for premises at 2501 Martin Luther King Jr. Avenue, SE, Washington, DC (the "Sublease")

**DATE:** November 16, 2018

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This is to certify that this Office has reviewed the above-referenced Sublease and that we have found it to be legally sufficient, subject to the submission of any required materials and Council approval.

If you have any questions, please do not hesitate to contact me at (202) 727-2800.

Tara Mitchell  
Assistant General Counsel, Department of General Services