

A RESOLUTION

20-98

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

April 9, 2013

To declare the existence of an emergency with respect to the need to require the Director of the Department of Small and Local Business Development to inquire about the 222 out of 247 public-private development construction projects that failed to submit Certified Business Enterprise ("CBE") subcontracting monitoring or compliance reports or have failed to meet their CBE expenditure goals.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Certified Business Enterprise Compliance Emergency Declaration Resolution of 2013".

Sec. 2. (a) This emergency declaration resolution is necessary to require the Director of the Department of Small and Local Business Development to inquire about the 222 out of 247 public-private development construction projects that failed to submit CBE subcontracting monitoring or compliance reports or have failed to meet their CBE expenditure goals.

(b) Only 25 out of 247 projects have met their CBE expenditure goals.

(c) 168 developers have failed to submit CBE expenditure reports with the Department of Small and Local Business Development ("Department").

(d) The CBE expenditure goal for the 168 projects is \$824,101,302. Currently, the status of these projects is unknown, which is of great concern because these projects are being provided with public funds.

(e) 54 developers have submitted CBE subcontracting expenditure plans, but have not met their CBE subcontracting goal as of September 30, 2012.

(f) The 54 public-private development construction projects have a total CBE expenditure goal of \$1,391,581,471.50; only \$262,837,361.90 has been allocated to CBEs as of September 30, 2012.

(g) The developers at the 54 projects have only met 19% of their CBE expenditure goal or they have a CBE goal deficit of \$1,128,744,109.60.

(h) This legislation is needed to allow the District government to quickly assess:

(1) How many public-private development construction projects are ongoing in the District;

(2) How many of these projects are meeting their CBE utilization goals;

(3) Why developers are failing to meet their CBE utilization goals;

(4) How much revenue in taxes and fees the District is losing out on by not requiring a developer to meet its CBE utilization goal;

(5) How much revenue District-based businesses are losing out on, which could be in the hundreds of millions; and

(6) What is being done by the Department to solve this problem.

(i) This legislation is necessary to immediately demand stricter compliance by developers on meeting their CBE subcontracting requirements to help protect District-based businesses and help them grow.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Certified Business Enterprise Compliance Emergency Act of 2013 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.