

AN ACT

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District of
Columbia
Official Code

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 8 of Title 47 of the District of Columbia Official Code to promote the development of affordable housing and retail amenities in an under-served neighborhood by establishing a more flexible time line for the development of the Wax Museum project and to authorize the transfer of certain tax abatements within the Mount Vernon Triangle area in order to encourage further residential, retail, and commercial development.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Tax Abatement Adjustment for Housing Priority Area Act of 2004".

Sec. 2. Chapter 8 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-857.04 is amended as follows:

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§ 47-857.04

(1) Designate the existing text as subsection (a).

(2) Newly designated subsection (a) is amended by striking the phrase "subject to" and inserting the phrase "With respect to any project for which the owner or its designee satisfies § 47-857.02(a)(1) and (2) on or before December 31, 2004, and subject to" in its place.

(3) A new subsection (b) is added to read as follows:

"(b) If a project eligible for the real property tax abatement under this section breaks ground on or after January 1, 2005 (as certified by the project architect and the Mayor), the tax abatement may be applied, assigned, conveyed, or otherwise transferred ("transferred") by the owner of the real property or project (or by the owner's designee) and the time period at which the tax abatement commences may be delayed until the transfer and shall continue for 10 years after the date of transfer; provided, that:

"(1) The tax abatement shall be computed as \$1.00 per residential FAR square foot of the eligible real property;

"(2) The tax abatement shall be transferred by the owner:

"(A) To reduce real property taxes imposed upon any residential project in eligible area #2; or

"(B) To reduce real property taxes imposed upon any commercial

project in eligible area #2; and

“(3) The tax abatement shall be transferred within:

“(A) Five years after receipt by the eligible project of a final certificate of occupancy is issued for the entirety of the project;

“(B) Within one year after the final certificate of occupancy is issued for the project to which the abatement is transferred.”.

(b) Section 47-857.06 is amended by adding a new subsection (d) to read as follows:

“(d)(1) For the purposes of this subsection, the term:

“(A) “K Street Building” means the portion of the Wax Museum project comprised of the building to be constructed on the site bounded on the south side by K Street, N.W., on the west side by 5th Street, N.W., on the north side by L Street, N.W., and on the east side by the alley running parallel to 5th Street, N.W.

“(B) “L Street Building” means the portion of the Wax Museum project comprised of the building to be constructed on the portion of the property to be disposed of pursuant to the RFP Resolution that is not included within the K Street Building.

“(C) “RFP Resolution” means the Revised Request for Proposals for the Redevelopment of Parcel One, the Former Wax Museum Site Approval Resolution of 2003, introduced on June 13, 2003 (PR15-249).

“(D) “Wax Museum developer” means the person (or any successor in interest) with which the District enters into an agreement for the disposition of the property on which the Wax Museum project will be constructed.

“(E) “Wax Museum project” means the project constructed pursuant to the request for proposals in the RFP Resolution.

“(2) Notwithstanding the provisions of § 47-857.02, there shall be allowed an abatement of \$710,000 per year of the real property tax imposed by § 47-811 on the Wax Museum project (to be allocated between the K Street Building and L Street Building as set forth in paragraph (3) of this subsection), and the Mayor shall issue to the Wax Museum developer certification letters stating that the property and buildings are eligible for the abatement and that the Mayor has reserved the abatement for the property and buildings in the allocated amounts; provided, that:

“(A) With respect to the K Street Building:

“(i) The first level of concrete for the K Street Building shall be laid by December 31, 2006, or such earlier date as may be set forth in an agreement between the Wax Museum developer and the National Capital Revitalization Corporation or RLA Revitalization Corporation;

“(ii) A certificate of occupancy for the K Street Building shall have been issued within 36 months after the first level of concrete has been laid for the K Street Building, or such earlier date as may be set forth in an agreement between the Wax Museum developer and the National Capital Revitalization Corporation or RLA Revitalization Corporation; and

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“(iii) The K Street Building satisfies § 47-857.06(a)(2) through (4); and

“(B) With respect to the L Street Building:

“(i) The first level of concrete for the L Street Building shall be laid within 18 months after the receipt by the Wax Museum developer of the Mayor’s certification letter pertaining to the tax abatement for K Street Building, or such earlier date as may be set forth in an agreement between the Wax Museum developer and the National Capital Revitalization Corporation or RLA Revitalization Corporation;

“(ii) A certificate of occupancy for the L Street Building shall have been issued within 30 months after the first level of concrete has been laid for the L Street Building, or such earlier date as may be set forth in an agreement between the Wax Museum developer and the National Capital Revitalization Corporation or RLA Revitalization Corporation; and

“(iii) The L Street Building satisfies § 47-857.06(a)(2) through (4).

“(3) For each deadline set forth in paragraph (2) of this subsection, one 6-month extension may be granted at the discretion of the Mayor.

“(4) The tax abatement allowed by this subsection shall be allocated between the K Street Building and the L Street Building based upon the square footage dedicated to residential units in each building as certified by the Wax Museum project architect.

“(5) The tax abatement allowed by this subsection shall be included in and subject to the \$2 million abatement limit set forth in § 47-857.09(b).

“(6)(A) The tax abatement allowed by this subsection for the K Street Building shall expire at the end of the 10th tax year after the tax year in which a certificate of occupancy is issued for the residential portion of the K Street Building.

“(B) The tax abatement allowed by this subsection for the L Street Building shall expire at the end of the 10th tax year after the tax year in which a certificate of occupancy is issued for the residential portion of the L Street Building.”.

Sec. 3. Inclusion in the budget and financial plan.

This act shall take effect subject to the inclusion of its fiscal effect in an approved budget and financial plan.

Sec. 4. 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)).

ENROLLED ORIGINAL

Sec. 5. 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.

Chairman
Council of the District of Columbia

Mayor
District of Columbia