

AN ACT

*Codification
District of
Columbia
Official Code*

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 46 of Title 47 of the District of Columbia Official Code to provide an exemption for certain sales and use taxes and to exempt from taxation certain real property owned by Sang Oh & Company, Inc., and being developed by Gateway Market Center, LLC, at 1240 – 1248 4th Street, N.E., Washington, D.C. 20002, in Ward 5.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Gateway Market Center and Residences Real Property Tax Exemption Act of 2008”.

Sec. 2. Chapter 46 of Title 47 of the District of Columbia Official Code is amended as follows:

(1) The table of contents is amended by adding a new section designation to read as follows:

“47-4618. Gateway Market Center and Residences, 1240 - 1248 4th Street, N.E., Lots 5, 800, 802, and 809, and Parcels 129/9 and 129/32, Square 3587 real property tax abatement and sales tax exemption.”.

(2) A new section 47-4618 is added to read as follows:

“§ 47-4618. Gateway Market Center and Residences, 1240 - 1248 4th Street, N.E., Lots 5, 800, 802, and 809, and Parcels 129/9 and 129/32, Square 3587 real property tax abatement and sales tax exemption.”.

**New
§ 47-4618**

“(a) For the purposes of this section, the term:

(1) “Gateway Market Center and Residences” means the real property located at 1240 – 1248 4th Street, N.E., more particularly described as Lots 5, 800, 802, and 809, and Parcels 129/9 and 129/32, Square 3587.

(2) “Gateway Market Center and Residences Project” means the mixed-use development to be constructed on the Lots 5, 800, 802, and 809, and Parcels 129/9 and 129/32, Square 3587.

“(b)(1) Subject to the conditions set forth in paragraph (2) of this subsection, beginning in the tax year that the developer begins development/construction on the Gateway Market Center

and Residences Project, the tax imposed by Chapter 8 of this title on the Gateway Market Center and Residences for 20 consecutive years shall be as follows:

“(A) For the first 10 years, the amount of the real property tax that is required to be paid at the date of the application for the building permit for the Gateway Market Center and Residences Project or the date that the Zoning Commission approves the planned unit development application for the Gateway Market Center and Residences Project;

“(B) For the second 10 years, 10% of the annual assessment of real property taxes and an increase of 10% each year in years 11 through 20 until the annual real property taxation equals 100%.

“(2) Paragraph (1) of this subsection shall be subject to the following conditions:

“(A) The Gateway Market Center and Residences shall be owned by Sang Oh & Company, Inc., its assignees, or successors.

“(B) The Gateway Market Center and Residences shall be used to develop a mixed-use development with retail, office, and residential uses as set forth in the Land Disposition/Purchase Agreement (DC-DHCD Contract No. 2004-3) between Sang Oh & Company, Inc., and the District of Columbia, dated February 26, 2004, and as has been and as may be amended.

“(C) The residential component of the mixed-use development shall set aside 20% of the total residential units (24 units) as affordable housing for household incomes of no more than 80% of the Area Median Income in perpetuity.

“(D) The mixed-use development shall include public amenities requested by Advisory Neighborhood Commission 5B, including a 100-seat community meeting room, an office for Advisory Neighborhood Commission 5B, and a Metropolitan Police Department community work station for the Fifth District, all rent-free in perpetuity.

“(E) Gateway Market Center, LLC shall comply with its First Source and LSDBE commitments as set forth in the “Application for Economic Assistance” to the District government.

“(3) The construction and completion of Gateway Market Center and Residences will contribute to the health, education, safety, or welfare of, or the creation or preservation of jobs for, residents of the District, or to economic development of the District.

“(c)(1) Sales of building materials for Gateway Market Center and Residences Project shall be exempt from the tax imposed by Chapter 20 of this title.

“(2) The amount of all taxes exempted under this subsection shall not exceed \$250,000. The developer, Gateway Market Inc., shall immediately notify the Office of Tax and Revenue when such limit is attained and provide an accounting to the Office of Tax and Revenue upon its request.

“(3) The sales tax exemption certification shall be issued to Gateway Market Inc., its assignees, or successors, shall be non-transferable, and shall expire when the limit in paragraph (2) of this subsection has been attained or on December 31, 2011, whichever occurs sooner.”.

Sec. 3. Applicability.

This act shall apply upon 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 of the Chief Financial Officer, dated December 16, 2008, 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. 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