

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 for tax exemptions for the Third & H Streets, N.E. development project located on Lot 54, Square 776.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Third & H Streets, N.E. Economic Development Act of 2010".

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

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

"47-4634. Third & H Streets, N.E. development project-tax exemptions."

(b) A new section 47-4634 is added to read as follows:

"§ 47-4634. Third & H Streets, N.E. development project-tax exemptions.

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

"(1) "Developer Sponsor" means Steuart-H Street, LLC, Steuart Investment Company, and their successors, affiliates, and assigns.

"(2) "Third & H Streets, N.E. project" means the acquisition, development, construction, installation, and equipping, including the financing, refinancing, or reimbursing of costs incurred, of the mixed-use retail, residential and garage project located on the Third & H Streets, N.E. property, consisting of:

"(A) An approximately 210-unit residential condominium/apartment house;

"(B) Approximately 42,000 square feet of retail space;

"(C) A garage for approximately 250 to 270 cars; and

"(D) Other ancillary improvements, including an associated supermarket with no less than 30,000 square feet.

"(3) "Third & H Streets, N.E. property" means the real property, including any improvements thereon, located on Lot 54, Square 776 (or as the land for such lot may be

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§ 47-4634

subdivided into a record lot or lots or assessment and taxation lots, condominium lots, or air rights lots in the future).

“(b) The Third & H Streets, N.E. project shall be exempt from the tax imposed by § 42-1102 and § 47-903.

“(c) The sales and rental of tangible personal property to be incorporated in or consumed in the Third & H Streets, N.E. project, whether or not the sale, rental, or nature of the material or tangible personal property is incorporated as a permanent part of the Third & H Streets, N.E. project or the Third & H Streets, N.E. property, shall be exempt from the tax imposed by § 47-2002.

“(d) The Third & H Streets, N.E. property shall be exempt from the portion of the tax imposed by Chapter 8 of this title in excess of the existing Fiscal Year 2010 real property tax (“real property tax increase”) for 20 consecutive years. The tax exemption for the 1st 10 years shall equal 100% of the real property tax increase and shall be reduced in 10% increments in years 11 through 20 until the annual real property taxation equals 100%. The real property tax exemption shall commence upon the issuance of the 1st building permit for the Third and H Streets, N.E. property.

“(e) The exemptions pursuant to subsections (b), (c), and (d) of this section shall be in addition to, and not in lieu of, any other tax relief or assistance from any other source applicable to the Third & H Streets, N.E. project, the Third & H Streets, N.E. property, or the Developer Sponsor. The exemptions under subsections (b), (c), and (d) shall not exceed, in the aggregate, \$5 million.

“(f) This section shall not prevent or restrict the Developer Sponsor from utilizing any other tax, development, or other economic incentives available to the Third & H Streets, N.E. project or the Third & H Streets, N.E. property, including an associated supermarket, which other tax, development, or other economic incentives shall include the supermarket tax incentives set forth in Chapter 38 of this title.”.

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 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)).

Sec. 5. Effective date.

This act shall take effect following approval of 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

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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