

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Councilmember Harry Thomas, Jr. introduced the following bill, which was referred to the Committee on \_\_\_\_\_.

To amend Chapter 46 of Title 47 of the District of Columbia Official Code to provide for tax exemptions for the Hecht’s Warehouse development project located in Square 4037, Lot 0804 (1401 -1435 New York Avenue, N.E.); Square 4037, Lot 0007 (1545 New York Avenue, N.E.); Square 4093, Lot 0018 (1431 Okie Street, N.E.); Square 4099, Lot 0833 (2001 16<sup>th</sup> Street, N.E.); and Parcel 153/143 in Ward 5.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Hecht’s Warehouse Economic Development Act of 2009”.

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:

“47-4610. Hecht’s Warehouse development project-tax exemptions.”

(b) A new section 47-4610 is added to read as follows:

“46-4610. Hecht’s Warehouse development project-tax exemptions.

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

1                   “(1) “Developer” means Patriot Equities, L.P. its successors, affiliates, and  
2 assigns.

3                   “(2) “Hecht’s Warehouse Project” means the acquisition, development,  
4 construction, installation, and equipping, including the financing, refinancing, or reimbursing of  
5 costs incurred, of the redevelopment project located on the Hecht’s Warehouse Property, which  
6 Hecht’s Warehouse Project may consist of a variety of commercial and/or retail uses including,  
7 but not limited to:

8                                 “(A) Approximately 470,000 square feet to 880,000 square feet of retail  
9 space;

10                               “(B) Approximately 1,600 to 3,500 parking spaces;

11                               “(C) Other ancillary improvements, including an associated full-service  
12 grocery store/supermarket; and

13                               “(D) office/industrial uses.

14                   “(3) “Hecht’s Warehouse Property” means the real property, including any improvements  
15 thereon, located in Square 4037, Lot 0804 (1401 -1435 New York Avenue, N.E.); Square 4037,  
16 Lot 0007 (1545 New York Avenue, N.E.); Square 4093, Lot 0018 (1431 Okie Street, N.E.);  
17 Square 4099, Lot 0833 (2001 16<sup>th</sup> Street, N.E.); and Parcel 153/143 (or as the land for such lots  
18 may be subdivided into a record lot or lots or assessment and taxation lots, condominium lots or  
19 air rights lots or any combination in the future).

20                   “(b) The sales and rental of tangible personal property to be incorporated in or consumed  
21 in the construction of the Hecht’s Warehouse Project, whether or not the sale, rental, or nature of  
22 the material or tangible personal property is incorporated as a permanent part of the Hecht’s

1 Warehouse Project or the Hecht's Warehouse Property, shall be exempt from the tax imposed by  
2 §47-2002.

3 “(c)(1) The Hecht's Warehouse Property shall be exempt from the tax imposed by  
4 Chapter 8 of Title 47.

5 “(2) The real property tax exemption granted by paragraph (1) of this subsection  
6 shall only apply for the 10 consecutive real property tax years beginning in the tax year in which  
7 the Developer begins development on the Hecht's Warehouse Property.

8 “(d) The exemptions pursuant to subsections (b) and (c) of this section shall be in  
9 addition to, and not in lieu of, any other tax relief or assistance from any other source applicable  
10 to the Hecht's Warehouse Project or the Hecht's Warehouse Property and shall not exceed, in the  
11 aggregate, \$6 million.

12 “(e) This section shall not prevent or restrict the Developer from utilizing any other tax,  
13 development, or other economic incentives available to the Hecht's Warehouse Project or the  
14 Hecht's Warehouse Property, including an associated supermarket, which other tax,  
15 development, or other economic incentives shall include the supermarket tax incentives set forth  
16 in Chapter 38.

17 “(f) The aforementioned exemptions shall not be used to reduce the dollar amount of real  
18 estate taxes due for the Hecht's Warehouse Property. The owner(s) of the Hecht's Warehouse  
19 Property shall continue to pay \$151,595 to the District of Columbia for the half year periods and  
20 that the exemptions shall only apply to increases in real estate taxes after the adoption of this bill.  
21 Nothing in this provision shall be construed to limit the owner of the Hecht's Warehouse  
22 Property from appealing or contesting its real estate tax assessment.”.

23 Sec. 3. Fiscal impact statement.

1           The Council adopts the fiscal impact statement in the committee report as the fiscal  
2 impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,  
3 approved December 24, 1973 (87 Stat. 813, D.C. Official Code §1-206.02(0(3))).

4           Sec. 4. Effective date.

5           This bill shall take effect following approval of the Mayor (or in the event of a veto by  
6 the Mayor, action by the Council to override the veto), a 30-day period of Congressional review  
7 as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
8 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(1)), and publication in the District of  
9 Columbia Register.