

A BILL

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 OTO Hotel at Constitution Square Project located in Square 711, Lot 817 and Air Rights Lots 7004, 7012, 7014, 7017, 7020 and 7021.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "OTO Hotel at Constitution Square 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:

"47-4622 OTO Hotel at Constitution Square Project Tax Exemptions."

(b) A new section 47-4622 is added to read as follows:

"47-4622 OTO Hotel at Constitution Square Project Tax Exemptions.

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

"(1) "Developer" means Palmetto Hospitality of Washington, DC, LLC, its successors, affiliates, and assigns, either collectively or individually.

"(2) "OTO Hotel at Constitution Square Project means the acquisition, development, construction, installation, and equipping, including the financing, refinancing, or reimbursing of costs incurred of the OTO Hotel at Constitution Square consisting of:

"(A) OTO Hotel at Constitution Square:

1                                   "(i) 204 hotel units totaling approximately 128,500 square feet of  
2 floor area.

3                                   "(ii) a below grade parking garage.

4                                   "(3) OTO Hotel at Constitution Square Property means the real property,  
5 including any improvements constructed thereon, located as follows, on Lot 817 and Air Rights  
6 Lots 7004, 7012, 7014, 7017, 7020 and 7021, Square 711 as recorded on Page T,U,V, Book 3837  
7 in the Office of the surveyor for the District of Columbia (or as the land for such lot may be  
8 subdivided into a record lot or lots or assessment and taxation lots, condominium lots, air rights  
9 lots, or any combination in the future) either collectively or individually.

10                                  "(b) OTO Hotel at Constitution Square Property is hereby exempt from real property  
11 taxation under Chapter 8 for ten (10) consecutive years, and is hereby exempt from fifty percent  
12 (50%) of the undedicated portion of the 10.05 percent gross sales tax pertaining to hotel  
13 accommodations under section 47-2002 for a period of ten (10) years from the date of the  
14 issuance of the certificate of occupancy for the OTO Hotel at Constitution Square.

15                                  "(c) The OTO Hotel at Constitution Square Project is hereby exempt from the sales and  
16 rental taxes of tangible personal property to be incorporated in, or consumed as part of, the OTO  
17 Hotel at Constitution Square Project, pursuant to section 47-2002, whether or not the sale, rental,  
18 or nature of the material or tangible personal property is incorporated as a permanent part of the  
19 OTO Hotel at Constitution Square Project or OTO Hotel at Constitution Square Property.

20                                  "(d) The tax exemptions pursuant to subsection (b) of this section shall be in addition to,  
21 and not in lieu of, any other tax relief or assistance from any other source applicable to the OTO  
22 Hotel at Constitution Square Project, the OTO Hotel at Constitution Square Property or the  
23 Developer.

1           "(e) This section shall not prevent or restrict the Developer from utilizing any other tax,  
2 development, or other economic incentives available to the OTO Hotel at Constitution Square  
3 Project, the OTO Hotel at Constitution Square Property, and/or the Developer.

4           "(f) Nothing in this provision shall be construed to limit the owner of the OTO hotel at  
5 Constitution Square Property from appealing or contesting its real estate tax assessment."

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

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

9           Sec. 4. Fiscal impact statement.

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

13          Sec. 5. Effective date.

14          This bill shall take effect following approval of the Mayor (or in the event of a veto by  
15 the mayor, action by the Council to override the veto), a 30-day period of Congressional review  
16 as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
17 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(1), and publication in the District of  
18 Columbia Register.