

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 Third & H Streets, N.E. development project located in Square 776, Lot 54.

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 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 the section designation "47-____.

_____ development project-tax exemptions." at the end.

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

"47-____. _____ development project-tax exemptions.

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

"(1) "Developer Sponsor" means Steuart-H Street, LLC and Steuart Investment Company, its 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 therefor, of the mixed-use retail, residential and garage project located on the Third & H Streets, N.E. property, consisting of:

"(A) Approximately a 210-unit residential condominium/apartment house;

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

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

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

4 " (3) "Third & H Streets, N.E. property" means the real property, including any
5 improvements thereon, located in Square 776, Lot 54 (or as the land for such lot may be
6 subdivided into a record lot or lots or assessment and taxation lots, condominium lots, and/or air
7 rights lots in the future).

8 “(b) The Third & H Streets, N.E. project shall be exempt from the tax imposed by §§42-
9 1102 and 47-903.

10 “(c) The sales and rental of tangible personal property to be incorporated in or consumed
11 in the Third & H Streets, N.E. project, whether or not the sale, rental, or nature of the material or
12 tangible personal property is incorporated as a permanent part of the Third & H Streets, N.E.
13 project or the Third & H Streets, N.E. property, shall be exempt from the tax imposed by §47-
14 2002.

15 “(d) The Third & H Streets, N.E. property shall be exempt from the tax imposed by
16 Chapter 8 above the existing FY 2010 tax amount of _____ per year for the Third & H
17 Streets, N.E. property for twenty (20) consecutive years. The tax exemption for the first ten (10)
18 years shall equal one hundred (100) percent of the annual real property tax imposed above the
19 existing FY 2010 tax amount. The annual real property tax payment shall be subject to a ten (10)
20 percent increase in years eleven (11) through twenty (20) until the annual real property taxation
21 payable equals one hundred (100) percent of the annual real property taxation amount. The real
22 property tax exemption shall commence upon the issuance of the first building permit for the
23 Third and H Streets, N.E. property.

1 "(e) The exemptions pursuant to subsections (b), (c) and (d) of this section shall be in
2 addition to, and not in lieu of, any other tax relief or assistance from any other source applicable
3 to the Third & H Streets, N.E. project or the Third & H Streets, N.E. property, or the Developer
4 Sponsor and the exemptions authorized pursuant to subsections (b), (c) and (d) shall not exceed,
5 in the aggregate, Five Million Dollars.

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

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

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

14 Sec. 4. Fiscal impact statement.

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

18 Sec. 5. Effective date.

19 This act shall take effect following approval of the Mayor (or in the event of a veto by the
20 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
21 provided in section 602(c)91) of the District of Columbia Home Rule Act, approved December
22 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02 (c)(1)), and publication in the District of
23 Columbia Register.