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Chairman Vincent C. Gray  
at the request of the Mayor

A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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Chairman Vincent C. Gray, at the request of the Mayor, introduced the following act, which was referred to the Committee on \_\_\_\_\_.

To amend the PILOT Authorization Increase and Arthur Capper/ Carrollsburg Public Improvements Revenue Bonds Approval Act of 2006 to allocate additional funds to the payment of debt services for the bonds and to approve the revised PILOT Agreement.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Arthur Capper/ Carrollsburg Public Improvements Revenue Bonds Amendment Act of 2009”.

Sec. 2. The PILOT Authorization Increase and Arthur Capper/ Carrollsburg Public Improvements Revenue Bonds Approval Act of 2006, effective March 8, 2007 (D.C. Law 16-244; 54 DCR 609), as amended by the Arthur Capper/Carrollsburg Public Improvement Revenue Bonds Approval Amendment Act of 2008, effective March 20, 2008 (D.C. Law 17-118; 55 DCR 1461), is amended as follows:

(a) Section 201 is amended as follows:

(1) Paragraph (1) is renumbered Paragraph (1C).

(2) Paragraph (1A) is renumbered Paragraph (1D).

(3) A new paragraph (1) is added to read as follows:

1           “(1) “Available Increment” means, for any fiscal year of the District, the sum of  
2 the Available Real Property Tax Increment and the Available Sales Tax Increment, as defined in  
3 the Reserve Agreement; provided, however, that, Available Increment shall not include  
4 Available Real Property Tax Increment or Available Sales Tax Increment derived from the  
5 Gallery Place Project Area or the Mandarin Project Area (as defined as the Gallery Place Project  
6 and the Mandarin Project in the Tax Increment Revenue Bond Downtown TIF Area Base Year  
7 Emergency Approval Resolution of 2002, effective February 5, 2002 (Res. 14-364; 49 DCR  
8 1255), except to the extent that such Available Real Property Tax Increment or Available Sales  
9 Tax Increment has been released from the lien of the respective indenture for these projects; and  
10 provided that, following any allocation of the Footprint Increment with respect to a Future  
11 Downtown Project, such Footprint Increment shall be excluded from Available Increment, and  
12 provided further that to the extent all or part of the Available Real Property Tax Increment and  
13 Available Sales Tax Increment has been committed exclusively for another purpose, the amount  
14 committed shall be excluded from Available Increment.”

15           (4) A new paragraph (1A) is added to read as follows:

16           “(1A) “Available Real Property Tax Increment” means, for any fiscal year of the  
17 District, 100 percent of the real property tax increment in respect of the Downtown TIF Area,  
18 being that portion of the real property tax levied pursuant to Chapter 8 of Title 47 of the District  
19 of Columbia Code and payments lieu of real property taxes, exclusive of the Special Real  
20 Property Tax authorized by section 481 of the Home Rule Act, attributable to the difference, if  
21 any, between the aggregate assessed value for such fiscal year of all lots of Commercial Real  
22 Property within the Downtown TIF Area and the aggregate assessed value of all lots of  
23 Commercial Real Property within the Downtown TIF Area in effect on January 1, 1999.”

1 (5) A new paragraph (1B) is added to read as follows:

2 “(1B) “Available Sales Tax Increment” means, for any fiscal year of the District,  
3 100 percent of the sales tax increments in respect of the Downtown TIF Area, being the revenues  
4 resulting from the imposition of tax on sales imposed pursuant to Chapter 20 of Title 47 of the  
5 District of Columbia Code, including penalties and interest charges, exclusive or the portion  
6 thereof required to be deposited in the Washington Convention Center Authority Fund  
7 established pursuant to D.C. Code § 10-1202.08 from sales at locations within the Downtown  
8 TIF Area in each fiscal year of the District, less the amount of sales tax revenues for such sales at  
9 such locations in fiscal year 1999.”

10 (6) A new Paragraph (1E) is added to read as follows:

11 “(1E) “Budgeted Reserve” means, for any fiscal year of the District, an amount  
12 not to exceed \$15,000,000, equal to the Debt Service (including Debt Service due and unpaid  
13 from any prior fiscal year) payable on equal to the Debt Service (including Debt Service due and  
14 unpaid from any prior fiscal year) payable on all of the outstanding Gallery Place Bonds and  
15 Mandarin Bonds in such fiscal year.”

16 (7) A new paragraph (10A) is added to read as follows:

17 “(10A) “Footprint Increment” means for any fiscal year of the District, the sum  
18 of (i) up to 100 percent (as set forth in the resolution of the Council approving the applicable  
19 Future Downtown Project) of that portion of the real property tax levied pursuant to Chapter 8 of  
20 Title 47 of the D.C. Code and payments in lieu of real property taxes, exclusive of the Special  
21 Real Property Tax, attributable to the difference, if any, between the aggregate assessed value  
22 during such fiscal year of all lots of Commercial Real Property included in the site of such  
23 Future Downtown Project and the aggregate assessed value of all lots of Commercial Real

1 Property included in such site in effect on the effective date of the allocation to the Future  
2 Downtown Project as stated in the applicable Council resolution, plus (ii) up to 100 percent (as  
3 set forth in the resolution of the Council approving the applicable future Downtown Project) of  
4 the tax revenues resulting from the imposition of the taxes imposed pursuant to Chapter 20 of  
5 Title 47 of the D.C. Code on sales at locations included in the site of such Future Downtown  
6 Project, including any penalties and interest charges, exclusive of the portion thereof required to  
7 be deposited in the Washington Convention Center Authority Fund established pursuant to D.C.  
8 Code, 2001 ed. § 10-1202.8, less the amount of the sales tax revenues from such sales at such  
9 locations for the fiscal year prior to the year in which the Council approves such Future  
10 Downtown Project.”

11 (8) A new paragraph (10B) is added to read as follows:

12 “(10B) “Future Downtown Project” means an eligible project located in the  
13 Downtown TIF Area, other than the Gallery Place Project and the Mandarin Project, and  
14 certified and approved in accordance with the TIF Act.”

15 (9) A new paragraph (10C) is added to read as follows:

16 “(10C) “Gallery Place Bonds” means the \$73,650,000 District of Columbia  
17 (Washington, DC) Tax Increment Revenue Bonds (Gallery Place Project Issue) Series 2002.

18 (10) A new paragraph (11A) is added to read as follows:

19 “(11A) “Mandarin Bonds” means the \$45,995,387.40 District of Columbia  
20 (Washington, DC) Mandarin Oriental Hotel Project Tax Increment Revenue Bonds Series 2002.

21 (11) A new Paragraph (18) is added to read as follows:

22 “(18) “Reserve Agreement” means that certain Reserve Agreement, dated as  
23 of April 1, 2002, by and among the District, Wells Fargo Bank Minnesota, N.A., and Financial

1 Security Assurance, Inc..”

2 (b) Subsection 202(h) is amended as follows:

3 (1) By striking the phrase “and income realized” and inserting the phrase “other  
4 moneys, that, as provided in the Financing Documents, may be made available to the District for  
5 the payment of the bonds, other sources of payment (other than the District), and income  
6 realized” in its place.

7 (2) By inserting, after the first sentence, a new sentence to read as follows:

8 “There is further allocated to the payment of debt service on a principal amount of bonds not to  
9 exceed \$32,000,000 (and the funding of reserves for such purposes) the Available Increment,  
10 subordinate to the allocation of the Available Increment to the Budgeted Reserve, to be used for  
11 the payment of debt service on the bonds (and the funding of reserves for such purpose) to the  
12 extent that the revenues allocated in the first sentence of this subsection (h) are inadequate to pay  
13 debt service on (and the funding of reserves for) the bonds.”.

14 Sec 3. Approval of revised Capper/Carrollsborg PILOT Agreement.

15 The Council approves the execution of revised Capper/Carrollsborg PILOT Agreement in  
16 substantially the form that has been transmitted to the Council.

17 Sec. 4. Fiscal impact statement.

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

21 Sec. 5. Effective date.

22 This act shall take effect following approval by the Mayor (or in the event of veto by the  
23 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as

1 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December  
2 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(1)) and publication in the District of  
3 Columbia Register.

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