

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Chapter 46 of Title 47 of the District of Columbia Official Code to provide an abatement of real property taxes for property located at 1201-1215 Good Hope Road, S.E., and known for tax and assessment purposes as Lots 1017, 847, 867, 866, and 864 in Square 5769.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “MLK Gateway Real Property Tax Abatement Amendment Act of 2019”.

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:

“§ 47-4671. MLK Gateway real property tax abatement.”.

(b) A new section 47-4671 is added to read as follows:

“§ 47-4671. MLK Gateway real property tax abatement.

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

“(1) “CBE” means a certified business enterprise or joint venture certified pursuant to the CBE Act.

“(2) “CBE Act” means the Small and Certified Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 *et seq.*).

“(3) “Developer” means MLK Gateway Partners LLC, a District of Columbia limited liability company, with a business address of 3401 8th Street, N.E., comprised of the Menkiti Group, with a business address of 3401 8th Street N.E., or its successors, or one of its affiliates or assignees and Enlightened Inc., with a business address of 1101 Connecticut Avenue, N.W., Washington D.C. 20036, or its successors, or one of its affiliates or assignees, as approved by the Mayor.

“(4) “First Source Agreement” means an agreement with the District governing certain obligations of the Developer pursuant to section 4 of the First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03), and Mayor’s Order 83-265, dated November 9, 1983, regarding job creation and employment generated as a result of the construction on the Property.

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“(5) “Project” means a mixed-use commercial project, including renovating the historic storefronts, new office and retail space, and any ancillary uses allowed under applicable law.

“(6) “Property” means the real property described as 1201-1215 Good Hope Road, S.E., known for tax and assessment purposes as Lots 1017, 847, 867, 866, and 864 in Square 5769, and any improvements on that real property.

“(b)(1) Beginning with the tax year during which a certificate of occupancy (whether temporary or final) is issued authorizing Enlightened Inc., or another locally owned and operated business with employees in the District of Columbia approved by the Mayor, any use of the Property, the tax imposed by Chapter 8 of this title on the Property, subject to funding, shall be abated for 15 real property tax years. The total amount of the abatement shall not exceed \$3 million.

“(2) For the initial transfer of the property, the project and property shall be exempt from the recordation taxation imposed pursuant to Chapter 11 of Title 42 and from transfer taxes imposed pursuant to Chapter 9 of this title. The exemptions provided by this paragraph shall not apply to any successor developer of the project or subsequent transfers of the property.

“(3) Notwithstanding paragraph (1) of this subsection, in no case shall the abatement provided in paragraph (1) of this subsection begin before October 1, 2020.

“(c) For the Property to receive the abatement described in this section, the:

“(1) Developer shall maintain a lease agreement with Enlightened Inc., or another locally owned and operated business with employees in the District of Columbia approved by the Mayor, for approximately 20,000 square feet of office space within the Project.

“(2) Project shall include 35% CBE participation;

“(3) Project shall comply with a First Source Hiring Agreement; and

“(4) Developer shall conduct 2 employment fairs in Ward 8 to encourage local participation in the redevelopment of the Property and make local residents aware of job opportunities in the redevelopment of the Property and in the businesses that will occupy the Property after completion of the redevelopment.

“(d)(1) The Mayor shall certify to the Office of Tax and Revenue the Property’s eligibility for the abatement provided pursuant to this section. The Mayor’s certification shall include:

“(A) A description of the Property by street address, square, suffix, and lot, and the date the abatement begins and ends;

“(B) The date a certificate of occupancy for Enlightened Inc., or another locally owned and operated business with employees in the District of Columbia as approved by the Mayor, authorizing any use of the Property was issued;

“(C) A statement that the conditions specified in subsection (c) of this section have been satisfied; and

“(D) Any other information that the Mayor considers necessary or appropriate.

“(2) If at any time the Mayor determines that the Property has become ineligible for the abatement provided pursuant to this section, the Mayor shall notify the Office of Tax and Revenue and shall specify the date that the Property became ineligible. The entire Property shall be ineligible for the abatement on the first day of the tax year following the date when ineligibility occurred.

“(e) The exemption provided by 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 MLK Gateway Disposition, as approved by the MLK Gateway Disposition Approval Resolution of 2017, effective December 5, 2017 (Res. 22-319; 65 DCR 33).”.

Sec. 3. Applicability.

(a) This act shall apply upon the date of inclusion of its fiscal effect in an approved budget and financial plan.

(b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in an approved budget and financial plan, and provide notice to the Budget Director of the Council of the certification.

(c)(1) The Budget Director shall cause the notice of the certification to be published in the District of Columbia Register.

(2) The date of publication of the notice of the certification shall not affect the applicability of this act.

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

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