



MURIEL BOWSER
MAYOR

JAN 31 2019

2019 JAN 31 PM 4:13
OFFICE OF THE
SECRETARY

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration by the Council is the “Bryant Street Tax Increment Financing Emergency Declaration Resolution of 2019”, the “Bryant Street Tax Increment Financing Emergency Amendment Act of 2019”, the “Bryant Street Tax Increment Financing Temporary Amendment Act of 2019” and the “Bryant Street Tax Increment Financing Amendment Act of 2019”. This proposed legislation would, on an emergency basis, extend the deadline to terminate the Bryant Street Tax Increment Financing Area from March 1, 2019 to March 1, 2020; and ensure the District’s ability to refund the bonds.


The Council approved the “Bryant Street Tax Increment Financing Act of 2016” (“Bryant Street TIF Act”) in December 2016, authorizing the issuance of TIF bonds to support certain infrastructure and site costs for a portion of the land located within 400-700 Rhode Island Ave, NE (“The Bryant Street TIF Area”). The aggregate principal amount of the bonds is not to exceed \$24 million and is to be used to fund the financing, refinancing, or reimbursing of development costs incurred for certain infrastructure and site development within the Bryant Street TIF Area and adjoining parcels.

The authority to issue TIF bonds pursuant to the Bryant Street TIF Act of 2016 will expire on March 1, 2019. Due to project delays outside of the District’s control, the District will be unable to issue the tax increment financed bonds before the expiration of authority, and, as currently drafted, the expiration of authority to issue the tax increment financed bonds inadvertently prohibits the District’s from issuing refunding bonds should future market conditions warrant.

I look forward to your prompt and favorable consideration of this legislation to ensure that the redevelopment of the Bryant Street TIF Area is realized. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Muriel Bowser".
Muriel Bowser


Chairman Phil Mendelson
at the request of the Mayor

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10 A Bill
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15 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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19 To amend the Bryant Street Tax Increment Financing Act of 2016 to extend the deadline to
20 terminate the Bryant Street Tax Increment Financing Area from March 1, 2019 to March
21 1, 2020; and to clarify the District's ability to refund bonds under the act.
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23 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
24 act may be cited as the "Bryant Street Tax Increment Financing Amendment Act of 2019".

25 Sec. 2. The Bryant Street Tax Increment Financing Act of 2016, effective April 7, 2017
26 (D.C. Law 21-262; D.C. Official Code § 2-1217.37a et seq.), is amended as follows:

27 (a) Section 2 (D.C. Official Code § 2-1217.37a) is amended as follows:

28 (1) Subsection (7) is amended by striking the phrase "(including refunding
29 Bonds, notes, and other obligations)".

30 (2) By inserting a new subsection (17A) and inserting the phrase "(17A)
31 "Refunding Bonds" means the District of Columbia bonds, notes, or other obligations, in one or
32 more series, authorized to be issued pursuant to this act to refund the Bonds."

33 (b) Subsection 4(d)(3) (D.C. Official Code § 2-1217.37c(d)(3)) is amended by striking
34 the phrase "March 1, 2019," and inserting the phrase "March 1, 2020, if no Bonds are issued

35 (excluding Refunding Bonds).” in its place.

36 (c) Section 15 (D.C. Official Code § 2-1217.37n) is amended by striking the phrase
37 “shall expire on March 1, 2019;” and inserting the phrase “(excluding Refunding Bonds) shall
38 expire on March 1, 2020;” in its place.

39 (d) D.C. Official Code § 2-1217.37a et seq., excluding Section 2(7), Section 2(17A),
40 Section 4(d)(3), Subsections 5(a) and (b), and Section 15, are amended by striking “Bonds”
41 wherever it appears and inserting the phrase “Bonds and Refunding Bonds”.

42 Sec. 3. Fiscal impact statement.

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

46 Sec. 4. Effective date.

47 This act shall take effect following approval by the Mayor (or in the event of veto by the
48 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
49 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
50 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publications in the District of
51 Columbia Register.

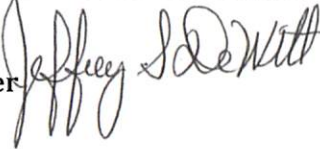
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: January 18, 2019

SUBJECT: Fiscal Impact Statement – Bryant Street Tax Increment Financing
Emergency Amendment Act of 2019

REFERENCE: Draft Bill as shared with the Office of Revenue Analysis on January 16,
2019

Conclusion

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

Background

In 2017, the Council enacted the Bryant Street Tax Increment Financing Act of 2016 that established a Tax Increment Financing (TIF) area in the District's Edgewood neighborhood.¹ The TIF area is north of Rhode Island Avenue, N.E. and along the western edge of the Metropolitan Branch Trail.² The District will issue up to \$24 million in debt against incremental sales and property tax revenues in the TIF area to support a mixed-use development project by MRP Rhode Island Avenue Investors LLC. The Mayor's authority to issue TIF bonds for the project sunsets on March 1, 2019.

The bill extends the Mayor's authority to issue bonds until March 1, 2020. The bill also defines refunding bonds separate from the TIF bonds so that the Mayor is not restricted by the sunset date for the purpose of issuing bonds to refund the TIF bonds.

¹ Effective April 7, 2017 (D.C. Law 21-262; D.C. Official Code § 2-1217.37a et seq).

² The TIF area includes a portion of the properties known for tax assessment purposes as Square 3629, Lots 7, 813, and 814.

The Honorable Phil Mendelson

FIS: "Bryant Street Tax Increment Financing Emergency Amendment Act of 2019," Draft Bill as shared with the Office of Revenue Analysis on January 16, 2019

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The developer experienced unexpected project delays when the approved planned unit development was appealed.³ The bill's sunset extension until March 1, 2020 allows the District to issue the TIF bonds when the developer is closer to meeting the required benchmarks for receiving the District's TIF bond proceeds.

³ See *Ward 5 Alliance for Equity v. D.C. Zoning Commission*, No. 17-AA-0001 (D.C. Jan. 8, 2019). The Developer is now pursuing a matter of right project: <https://dc.urbanturf.com/articles/blog/mrps-pulled-back-rhode-island-avenue-project/14525> (last accessed January 18, 2019).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



Commercial Division
Tax & Finance Section

MEMORANDUM


TO: Brian Kenner
Deputy Mayor for Planning and Economic Development

FROM: Patrick Allen
Senior Assistant Attorney General
Commercial Division

DATE: January 17, 2019

SUBJECT: Legal Sufficiency Certification of the “Bryant Street Tax Increment Financing Emergency Amendment Act of 2019” and the “Bryant Street Tax Increment Financing Amendment Act of 2019”

This is to certify that the Commercial Division has reviewed the above-referenced Bills and found each of them to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-7754.



Patrick Allen
Senior Assistant Attorney General