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A BILL
23-381

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, 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 Temporary 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.

28 “(2) “CBE Act” means the Small and Certified Enterprise Development and
29 Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-
30 218.01 *et seq.*).

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

37 “(4) “First Source Agreement” means an agreement with the District governing
38 certain obligations of the Developer pursuant to section 4 of the First Source Employment
39 Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-
40 219.03), and Mayor’s Order 83-265, dated November 9, 1983, regarding job creation and
41 employment generated as a result of the construction on the Property.

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

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

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

54 “(2) The Project shall be exempt from recordation taxation imposed pursuant
55 to Chapter 11 of Title 42.

56 “(3) The Project shall be exempt from transfer taxes imposed pursuant to
57 Chapter 9 of this title.

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

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

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

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

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

66 “(4) Developer shall conduct 2 employment fairs in Ward 8 to encourage local
67 participation in the redevelopment of the Property and make local residents aware of job

68 opportunities in the redevelopment of the Property and in the businesses that will occupy the
69 Property after completion of the redevelopment.

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

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

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

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

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

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

87 “(e) The exemption provided by this section shall be in addition to, and not in lieu of, any
88 other tax relief or assistance from any other source applicable to the MLK Gateway Disposition,

89 as approved by the MLK Gateway Disposition Approval Resolution of 2017, effective December
90 5, 2017 (Res. 22-319; 65 DCR 33).”.

91 Sec. 3. Applicability.

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

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

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

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

101 Sec. 4. Fiscal impact statement.

102 The Council adopts the fiscal impact of the Budget Director as the fiscal impact statement
103 required by section 4a of the General Legislative Procedures Act of 1975, approved October 16,
104 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

105 Sec. 5. Effective date.

106 This act shall take effect following approval by the Mayor (or in the event of veto by the
107 Mayor, action by the Council to override the veto), and shall remain in effect for no longer than
108 225 days, as provided for temporary acts of the Council of the District of Columbia in section

ENGROSSED ORIGINAL

- 109 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788;
110 D.C. Official Code § 1-204.12(a)).