

Councilmember Yvette M. Alexander

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 abate the imposition of taxes on certain real property known as The Park 7 at Minnesota-Benning.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “The Park 7 at Minnesota-Benning Tax Abatement Act of 2011”.

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 47-46__ to read as follows:

“47-46__. The Park 7 at Minnesota-Benning, being Lots 6, 7, 9, 10, 11, 12, 800 and 809 in Square 5052, and Parcels 176/60, 176/70, 176/72, and 176/73 (and which may be expanded to include the closed portion of a public alley in Square 5052).”

(b) A new section 47-46__ is added to read as follows:

“§47-46__ (a). For the purposes of this section, the term:

“(1). “Affordable Units” means residential units affordable to households with incomes not exceeding 60% of the median income of the Washington, D.C. metropolitan statistical area, as determined annually by the United States Department of Housing and Urban Development, or its successor agency.

1 “(2) “The Park 7 at Minnesota-Benning” means a residential project, with up to
2 10% of the units set aside for market-rate units, and a retail project located on the property
3 described as Lots 6, 7, 9, 10, 11, 12, 800 and 809 in Square 5052, and Parcels 176/60, 176/70,
4 176/72, and 176/73 (and which may be expanded to include the closed portion of a public alley
5 in Square 5052), or any subsequent subdivision of these lots into one or more record lots or into
6 one or more assessment and taxation lots, comprising land located adjacent to the corner of
7 Minnesota Avenue and Benning Road Northeast in Ward 7 next to the Minnesota Avenue Metro
8 station, together with the improvements thereon.

9 “(3) “Housing Element” means, with respect to The Park 7 at Minnesota-Benning,
10 a multifamily residential project or residential condominium regime consisting of approximately
11 three hundred and seventy-five (375) multi-family rental units and accessory parking.

12 “(4) “Retail Element” means, with respect to The Park 7 at Minnesota-Benning, a
13 retail project or retail condominium regime consisting of approximately 23,000 square feet of
14 commercial or retail space and accessory parking.

15 “(b) Beginning on the first day of the half tax year immediately following the date on
16 which site preparation begins, as evidenced by either the issuance of a demolition permit,
17 grading permit or excavation permit, whichever is issued first, The Park 7 at Minnesota-Benning
18 Housing Element shall be exempt from real property taxation under Chapter 8 of this title.

19 “(c) The Housing Element shall receive an annual real property tax abatement equal to
20 the amount of the real property taxes actually assessed and imposed by Chapter 8 of this title
21 commencing as described in subsection (b) immediately above and ending on the date that is the
22 last day of the half tax year immediately following the earlier of:

23 “(1) The passage of 30 years; or

1 “(2) The date on which the Housing Element no longer has at least 50% of the
2 Housing Element is set aside for Affordable Units.

3 “(d) For the purposes of § 47-831(b), the owner shall have a duty to inform the Office of
4 Tax and Revenue within ninety (90) days when the Housing Element is no longer entitled to the
5 exemption granted by subsection (b) of this section or the abatement granted by subsection (c) of
6 this section.

7 “(e) Beginning on the first day of the half tax year immediately following the date on
8 which site preparation begins, as evidenced by either the issuance of a demolition permit,
9 grading permit or excavation permit, whichever is issued first, The Park 7 at Minnesota-Benning
10 Retail Element shall be exempt from real property taxation under Chapter 8 of this title.

11 “(f) The Retail Element shall receive an annual real property tax abatement equal to the
12 amount of the real property taxes actually assessed and imposed by Chapter 8 of this title
13 commencing as described in subsection (e) immediately above and ending on the date that is the
14 last day of the half tax year immediately following the earlier of:

15 “(1) The passage of 30 years; or

16 “(2) The date on which the Retail Element is no longer used or reserved for
17 commercial or retail space.

18 “(g) For the purposes of § 47-831(b), the owner shall have a duty to inform the Office of
19 Tax and Revenue within ninety (90) days when the Retail Element is no longer entitled to the
20 exemption granted by subsection (e) of this section or the abatement granted by subsection (f) of
21 this section.

22 “(h) The exemptions provided by this section shall run with Lots 6, 7, 9, 10, 11, 12, 800
23 and 809 in Square 5052, and Parcels 176/60, 176/70, 176/72, and 176/73 (and which may be

1 expanded to include the closed portion of a public alley in Square 5052), or any subsequent
2 subdivision of these lots into one or more record lots or into one or more assessment and taxation
3 lots, and shall apply to any subsequent owners or assignees or successors in interest of The Park
4 7 at Minnesota-Benning.”

5 (c) Section 47-902 is amended by adding a new subsection (___) to read as follows:

6 “(___) Deeds to transfer property with respect to the real property (and any improvements
7 thereon) described as Lots 6, 7, 9, 10, 11, 12, 800 and 809 in Square 5052, and Parcels 176/60,
8 176/70, 176/72, and 176/73 (and which may be expanded to include the closed portion of a
9 public alley in Square 5052) as defined in section 2(b) of The Park 7 at Minnesota-Benning Tax
10 Abatement Act of 2011 (§47-46__(a)(2)), or any subsequent subdivision of these lots into one or
11 more record lots or into one or more assessment and taxation lots, in connection with the of The
12 Park 7 at Minnesota-Benning, including ownership interest transfers for the entry and exit of
13 low-income tax credit investors, the restructuring of ownership and to any qualifying household
14 pursuant to section 2(b) of The Park 7 at Minnesota-Benning Tax Abatement Act of 2011 (§47-
15 46__(a)(1)); provided, that the period for exemption from transfer taxes provided by this
16 subsection shall expire at the end of 30 years for the Housing Element and at the end of 30 years
17 for the Retail Element as provided in section 2(b) of The Park 7 at Minnesota-Benning Tax
18 Abatement Act of 2011 (§§47-46__ (c) and 47-46__(f)).”

19 (d) Section 47-2005 of the District of Columbia Official Code is amended as follows:

20 (1) Paragraph (3___) is amended by striking the period at the end of the paragraph
21 and inserting the phrase“; and” in its place.

22 (2) A new paragraph (3___) is added to read as follows:

1 “(3)(A) The sales and rental of tangible personal property to be incorporated in or
2 consumed in the renovation, rehabilitation, construction, equipping, furnishing and operation of
3 The Park 7 at Minnesota-Benning, whether or not the sale, rental or nature of the material or
4 tangible personal property is incorporated as a permanent part of the real property, shall be
5 exempt from the tax imposed by §47-2002 for a period of four (4) years from the effective date
6 of this act; and

7 “(B) For the purposes of this paragraph, the “The Park 7 at Minnesota-Benning”
8 means the financing, refinancing or reimbursement of construction costs incurred for the
9 demolition, excavation and construction costs incurred for the residential project and retail
10 project located in Lots 6, 7, 9, 10, 11, 12, 800 and 809 in Square 5052, and Parcels 176/60,
11 176/70, 176/72, and 176/73 (and which may be expanded to include the closed portion of a
12 public alley in Square 5052), or any subsequent subdivision of these lots into one or more record
13 lots or into one or more assessment and taxation lots.”

14 Sec. 3. Section 302 of the District of Columbia Deed Recordation Tax Act, approved
15 March 2, 1962 (76 Stat. 12; D.C. Official Code § 42-1102) is amended by adding a new
16 subsection (___) to read as follows:

17 “(___) Deeds conveying, vesting, granting or assigning title to, an interest in, a security
18 interest in, or an economic interest in the real property described as Lots 6, 7, 9, 10, 11, 12, 800
19 and 809 in Square 5052, and Parcels 176/60, 176/70, 176/72, and 176/73 (and which may be
20 expanded to include the closed portion of a public alley in Square 5052) as defined in section
21 2(b) of The Park 7 at Minnesota-Benning Tax Abatement Act of 2011 (§47-46__(a)(2)), or any
22 subsequent subdivision of these lots into one or more record lots or into one or more assessment
23 and taxation lots, in connection with the of The Park 7 at Minnesota-Benning, including

1 ownership interest transfers for the entry and exit of low-income housing tax credit investors, the
2 restructuring of ownership and to any qualifying household pursuant to Sec. 2(b) of The Park 7
3 at Minnesota-Benning Tax Abatement Act of 2011 (§47-46__(a)(1); provided, that the period for
4 exemption from recordation taxes provided by this subsection shall expire at the end of 30 years
5 for the Housing Element and at the end of 30 years for the Retail Element as provided in section
6 2(b) of The Park 7 at Minnesota-Benning Tax Abatement Act of 2011 (§§47-46__ (c) and 47-
7 46__(f)).”

8 Sec. 4. Financial imposition exemption for The Park 7 at Minnesota-Benning.

9 (a) For the purposes of this section, the term The Park 7 at Minnesota-Benning Developer
10 means the entity that will develop The Park 7 at Minnesota-Benning, as defined in section
11 2(b)(2) of this act.

12 (b) Notwithstanding any other provision of law, no fees shall be charged to The Park 7 at
13 Minnesota-Benning Developer for any permits related to the construction of The Park 7 at
14 Minnesota-Benning, including private space building permit fees or public space permit fees.
15 The exemption provided by this section shall not include inspection fees for such permits,
16 condominium registration application fees, or condominium conversion fees.

17 Sec. 5. Inclusion in the budget and financial plan. This act shall apply upon the inclusion
18 of its fiscal impact in an approved budget and financial plan.

19 Sec. 6. Fiscal impact statement. The Council adopts the fiscal impact statement as the
20 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule
21 Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

22 Sec. 7. Effective date. This act shall take effect upon its approval by the Mayor (or in the
23 event of veto by the Mayor, action by the Council to override the veto), a 30-day period of

1 Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule
2 Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206(c)(1)) and
3 publication in the District of Columbia Register.