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2 Councilmember Kenyan R. McDuffie
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6 A BILL
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10 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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14 To amend, on a temporary basis, Chapter 46 of Title 47 of the District of Columbia
15 Official Code to provide an abatement of real property taxes for property located
16 at 1201-1215 Good Hope Road, S.E., and known for tax and assessment purposes
17 as Lots 1017, 847, 867, 866, and 864 in Square 5769.
18

19 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

20 That this act may be cited as the “MLK Gateway Real Property Tax Abatement
21 Temporary Amendment Act of 2019”.

22 Sec. 2. Chapter 46 of Title 47 of the District of Columbia Official Code is
23 amended as follows:

24 (a) The table of contents is amended by adding a new section designation to read
25 as follows:

26 “47-4671. MLK Gateway real property tax abatement.”.

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

28 “§ 47-4671. MLK Gateway real property tax abatement.

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

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

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

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

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

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

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

53 “(b)(1) Beginning with the tax year immediately following the tax year during
54 which a certificate of occupancy (whether temporary or final) is issued authorizing

55 Enlightened Inc., or another locally owned and operated business with employees in the
56 District of Columbia approved by the Mayor, any use of the Property, the tax imposed by
57 Chapter 8 of this title on the Property, subject to funding, may be abated for 15 real
58 property tax years; provided, that the total amount of the abatement shall not exceed \$3
59 million.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

94 “(e) The exemption provided by this section shall be in addition to, and not in lieu
95 of, any other tax relief or assistance from any other source applicable to the MLK
96 Gateway Disposition, as approved by the MLK Gateway Disposition Approval
97 Resolution of 2017, effective December 5, 2017 (Res. 22-319; 65 DCR 33).”.

98 Sec. 3 Fiscal impact statement.

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

102 Sec. 4 Effective date.

103 This act shall take effect following approval by the Mayor (or in the event of veto
104 by the Mayor, action by the Council to override the veto), and shall remain in effect for
105 no longer than 225 days, as provided for temporary acts of the Council of the District of
106 Columbia in section 412(a) of the District of Columbia Home Rule Act, approved
107 December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).