

AN ACT

*Codification
District of
Columbia
Official Code*

2001 Edition

2011 Summer
Supp.

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To create a nonlapsing fund to collect the real property and sales tax increment generated in the H Street, N.E., Retail Priority Area to be used to support the Third & H Streets, N.E. project and to support small business development; to amend the Third & H Streets, N.E. Economic Development Act of 2010 to repeal a provision delaying the applicability of the act; and to amend the Great Streets Neighborhood Retail Priority Areas Approval Resolution of 2007 to reflect the change in funding source for the H Street, N.E. Retail Priority Area.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “H Street, N.E., Retail Priority Area Incentive Act of 2010”.

Sec. 2. Definitions.

For the purposes of this act, the term:

(1) “Chief Financial Officer” means the Chief Financial Officer established by section 424a of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-204.24(a)).

(2) “DMPED” means the Office of the Deputy Mayor for Planning and Economic Development established by Mayor’s Order 99-62 (April 9, 1999).

(3) “Developer Sponsor” shall have the same meaning as provided in D.C. Official Code § 47-4634(1).

(4) “H Street Real Property Tax Increment Revenue” means the portion of the real property tax imposed by Chapter 8 of Title 47 of the District of Columbia Official Code on real property in the H Street, N.E., Retail Priority Area in any fiscal year that exceeds the amount of the real property tax imposed on the real property in the H Street, N.E., Retail Priority Area in the fiscal year ended September 30, 2007.

(5) “H Street, N.E., Retail Priority Area” means the H Street, N.E., Retail Priority Area as defined in section 2(2) of the Great Streets Neighborhood Retail Priority Areas Approval Resolution of 2007, effective July 10, 2007 (Res. 17-257; 54 DCR 7194), which includes the parcels, squares, and lots within the area bounded by a line beginning at the

intersection of the center lines of Massachusetts Avenue, N.E., Columbus Circle, N.E., and 1st Street, N.E.; continuing northeast along the center line of 1st Street, N.E., to the center line of K Street, N.E.; continuing east along the center line of K Street, N.E., to the center line of Florida Avenue, N.E.; continuing southeast along the center line of Florida Avenue, N.E., to the center line of Staples Street, N.E.; continuing northeast along the center line of Staples Street, N.E., to the center line of Oates Street, N.E.; continuing southeast along the center line of Oates Street, N.E., until the point where Oates Street, N.E., becomes K Street, N.E.; continuing east along the center line of K Street, N.E., to the center line of 17th Street, N.E.; continuing south along the center line of 17th Street, N.E., to the center line of Gales Street, N.E.; continuing northwest along the center line of Gales Street, N.E., to the center line of 15th Street, N.E.; continuing south along the center line of 15th Street, N.E., to the center line of F Street, N.E.; continuing west along F Street, N.E., to the center line of Columbus Circle, N.E.; and continuing south and circumferentially along the center line of Columbus Circle, N.E., to the beginning point.

(6) “H Street Retail Developer” means a person or corporation that proposes to, or provides technical assistance to, engage in the business of sale of personal property for use or consumption by the purchasers at locations in the H Street, N.E., Retail Priority Area.

(7) “H Street Sales Tax Increment Revenue” means the portion of the sales tax imposed by Chapter 20 of Title 47 of the District of Columbia Official Code on goods and services sold in the H Street, N.E., Retail Priority Area in any fiscal year that exceeds the amount of the sales tax imposed in the H Street, N.E., Retail Priority Area in the fiscal year ended September 30, 2007.

Sec. 3. Establishment of the H Street Retail Priority Area Grant Fund.

(a) There is established as a nonlapsing fund outside the General Fund of the District of Columbia a fund designated as the H Street Retail Priority Area Grant Fund. The Chief Financial Officer shall pay upon the effective date of this act an amount not to exceed \$5 million annually, but not to exceed \$25 million in the aggregate, of the H Street Real Property Tax Increment Revenue and the H Street Sales Tax Increment Revenue into the H Street Retail Priority Area Grant Fund.

(b) All funds deposited into the H Street Retail Priority Area Grant Fund, and any interest earned on those funds, shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time, but shall be continually available for the uses and purposes set forth in subsection (c) of this section without regard to fiscal year limitation, subject to authorization by Congress.

(c) DMPED shall use a portion of each of the \$5 million annual allocations into the H Street Retail Priority Area Grant Fund as follows:

(1)(A) Repay the General Fund of the District of Columbia annually for all tax abatements to the Developer Sponsor.

(B) The value of the tax abatements to the Developer Sponsor shall not

exceed \$5 million in the aggregate; and

(2) Make grants to H Street Retail Developers in accordance with section 4.

(d) The Mayor shall prepare and deliver an annual report to the Council each year on January 1st. The annual report shall contain a listing and description of each grant issued from the H Street Retail Priority Area Grant Fund pursuant to this act. Each listing shall contain specific information about the nature of the grant, the grantee, the use of the grant funds, the projected number of new jobs created for District residents, the projected economic benefit to the District, and any other information the Council may request regarding each grant.

Sec. 4. H Street, N.E., Retail Priority Area business development.

(a) The Mayor shall publish no later than 120 days after the effective date of this act, and no less than annually after that date, a notice of funding availability to make grants to assist retail development projects which generate new jobs in new or improved existing retail space in the H Street, N.E., Retail Priority Area.

(b) Eligible retail development projects shall include retail businesses engaged in the sale of home furnishings, apparel, books, art, groceries, and general merchandise goods to specialized customers. Special consideration shall be given to retail developments that include entrepreneurial and innovative retail elements. Eligible retail development projects shall not include liquor stores, restaurants, nightclubs, hair salons, barber shops, and phone stores.

(c) Eligibility for retail development projects shall include:

(1) Site control of the property either through fee simple ownership of the site or through an executed contract or lease with the property owner;

(2) Direct frontage on the H Street, N.E., corridor from 3rd Street, N.E., to 15th Street, N.E.;

(3) Total retail space which is not less than 1,200 square feet;

(4) Execution of a First Source Agreement with the District's Department of Employment Services; and

(5) Adherence to design, construction, and rehabilitation requirements as defined by DMPED.

Sec. 5. Section 3 of the Third & H Streets, N.E., Economic Development Act of 2010, effective May 27, 2010 (D.C. Law 18-161; 57 DCR 3026), is repealed.

**Note,
§ 47-4634**

Sec. 6. Section 3(a)(2) of the Great Streets Neighborhood Retail Priority Areas Approval Resolution of 2007, effective July 10, 2007 (Res. 17-257; 54 DCR 7194), is amended by striking the phrase "\$25 million" and inserting the phrase "\$0 million" in its place.

Sec. 7. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal

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impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 8. Effective date.

This act shall take effect following approval by 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 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