PUBLIC HEARING ON BILL 17-0343, "WAX MUSEUM PROJECT TAX ABATEMENT ALLOCATION MODIFICATION AMENDMENT ACT OF 2007"

Before the
Committee on Finance and Revenue
Council of the District of Columbia

The Honorable Jack Evans, Chairman

September 26, 2007, 10:00 a.m.
Room 120, John A. Wilson Building

Testimony of
Aaishah Hashmi
Assistant General Counsel
Office of Tax and Revenue

Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia

Good morning, Chairman Evans, and members of the Committee on Finance and Revenue. I am Aaishah Hashmi, Assistant General Counsel for the Office of Tax and Revenue ("OTR") of the District of Columbia ("District"). I am pleased to present testimony today on Bill 17-0343, the "Wax Museum Project Tax Abatement Allocation Modification Amendment Act of 2007."

The annual tax abatement for the Wax Museum Project is designed to encourage affordable housing, retail and commercial development in an under-served neighborhood.

The bill modifies the allocation of the previously granted tax abatement for the Wax Museum Project. Currently, the tax abatement is allocated between two eligible properties, the K Street Building and the L Street Building, known collectively as the Wax Museum Project, based upon the square footage dedicated to residential units in each building as certified by the project owner.

The bill eliminates the tax abatement allocation based on square footage between the K Street Building and the L Street Building and provides the project owner with wide latitude to allocate the abatement as the project

owner sees necessary in the operation of the development.

The bill also provides procedures regarding the election by requiring the project owner to notify the Mayor of the election upon the issuance of a certificate of occupancy for the first building to be completed. OTR recommends that the bill be amended to require a simultaneous notice requirement be mailed by the project owner by certified mail to the OTR Director of Real Property.

Fiscal Impact of Bill 17-0343

OTR will incur only minimal operating costs to implement the bill.

This legislation is not expected to have a fiscal impact on the FY 2008-FY 2011 budget and financial plan. A formal fiscal impact statement on the bill will be submitted to the Committee subsequent to this hearing.

Thank you, Chairman Evans, for the opportunity to comment on this bill. I would be happy to answer any questions you or other Councilmembers might have at this time.