

**PUBLIC HEARING**

**ON**

**BILL 18-231, “PARK PLACE at PETWORTH,  
HIGHLAND PARK and HIGHLAND PARK PHASE II  
ECONOMIC DEVELOPMENT ACT OF 2009”**

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

**The Honorable Jack Evans, Chairman**

**May 21, 2009, 10:00 a.m.  
Room 412, John A. Wilson Building**



**Testimony of Richie McKeithen  
Director of Real Property Tax Administration  
Office of Tax and Revenue**

**Natwar M. Gandhi  
Chief Financial Officer  
District of Columbia**

Good morning, Chairman Evans and members of the Committee on Finance and Revenue. I am Richie McKeithen, Director of Real Property Tax Administration for the Office of Tax and Revenue. I am pleased to present testimony on Bill 18-231 “Park Place at Petworth, Highland Park and Highland Park Phase II Economic Development Act of 2009.”

The purpose of this bill is to exempt the property located at 3700 Georgia Avenue., N.W., 3706 Georgia Avenue., N.W., 1400 Irving Street., N.W., and 1444 Irving Street., N.W., for 20 consecutive years. The property would receive 100 percent real property tax exemption for the first ten years. The tax liability would increase ten percent per year for year 11 through 20 until the annual property tax reaches 100 percent.

There are several property uses that are involved and they include residential, multi-family and commercial retail. A portion of each of the properties would be affordable housing and the Highland Park Phase II project would include a community based residential facility. The properties are owned by CJUF II Petworth LLC, Donatelli & Klein, Inc., Columbia Heights Ventures Parcel 26,

LLC, and Highland Park West, LLC; none of the owners have applied for exemption from real property tax with the Office of Tax and Revenue. The only way to exempt the real property taxes for the aforementioned properties is through legislation.

Bill 18-231 would reduce property tax collections by approximately \$2.3 million during the FY 2010 through FY 2013 financial planning period.

<b>Estimated Negative Fiscal Impact by Fiscal Year</b>					
	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>Total</b>
Assessed Value	\$67,884,430	\$64,490,209	\$61,265,698	\$58,202,413	\$251,842,750
Tax Liability	\$620,217	\$589,206	\$559,746	\$531,759	\$2,300,928
<b>Total Fiscal Impact</b>	<b>\$620,217</b>	<b>\$589,206</b>	<b>\$559,746</b>	<b>\$531,759</b>	<b>\$2,300,928</b>

Additionally, Bill 18-231 would continue to have a fiscal impact during the 20 year life of the exemptions until the owners of these properties are become fully liable for the property taxes in FY 2029. Between FY 2014 and FY 2028, Bill 18-231 would reduce the property tax collections by an additional \$6.2 million, bringing the total reduction in revenues to \$8.5 million.