

PUBLIC HEARING

ON

Bill 19-741 ‘Parkside Parcel E and J Mixed- Income Apartments Tax Abatement Act of 2012’

**Before the
Committee on Finance and Revenue**

The Honorable Jack Evans, Chairman

**May 31, 2012, 10:00 AM
John A. Wilson Building, Room 412**



**Testimony of
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**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 Bazil Facchina, Assistant General Counsel for the Office of Tax and Revenue. I am pleased to present testimony on Bill 19-741, the “Parkside Parcel E and J Mixed-Income Apartments Tax Abatement Act of 2012”.

In general, the Bill would provide a real property tax abatement for real property known as the Parkside Parcel E and J Mixed-Income Apartments, designated as Lot 808 in Square 5041 and Lot 811 in Square 5056 and owned by Parkside Residential, LLC. The abatement would continue for approximately 10 real property tax years following the occupancy of the project. The amount of the annual abatement would be capped at \$600,000 per year. The abatement would be in addition to, and not in lieu of, any other tax relief or assistance from any other source available to the property.

The Bill as drafted does not appear to require any particular use of the property. Legislation of this type generally requires the property to meet certain use requirements in order to qualify for the tax benefit. Furthermore, by describing the property in terms of its present ownership, the property may be eligible to receive the abatement only if it is owned by Parkside Residential. However, it appears that Parkside Residential may sell the property in order to achieve its development

plan. The Committee may wish to consider whether the Bill in its present form adequately serves its intended policy goals.

The Bill in its present form also appears to present some difficulties in administration, and I have attached to my testimony some suggested amendments to address these concerns.

Thank you, Chairman Evans, for the opportunity to comment on this Bill. I would be happy to answer any questions at this time.

Attachment

Page 2, lines 3-4, strike “commencing the first day of occupancy and ending on the date that is the last day following the passage of 10 full tax years,” and replace it with “commencing at the beginning of the first month following the date of issuance of a final certificate of occupancy covering the entire Parkside Parcel E and J Apartments and ending at the end of the 10th full real property tax year following that date,”