

**PUBLIC HEARING ON**

**Bill 17-0461, the “Rhode Island Metro Plaza Revenue Bonds Approval  
Act of 2007”**

**Before the  
Committee on Finance and Revenue  
Council of the District of Columbia  
Councilmember Jack Evans, Chairman  
-and the-  
Committee on Economic Development  
Council of the District of Columbia  
Councilmember Kwame Brown, Chairman**

**November 15, 2007  
10:00 a.m.  
Room 120, John A. Wilson Building**



**Testimony of  
John Ross  
Senior Advisor to the Chief Financial Officer  
For Economic Development Finance**

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

Good morning Chairman Evans, Chairman Brown, members of the Committee on Finance and Revenue, and members of the Committee on Economic Development. I am John Ross, Senior Advisor to the Chief Financial Officer for Economic Development. I am pleased to testify today on behalf of the CFO on Bill 17-0461, the “Rhode Island Metro Plaza Revenue Bond Approval Act of 2007”.

The Rhode Island Metro Plaza Revenue Bond Approval Act of 2007 rescinds the Rhode Island Place Project Retail Priority Area Approval Resolution of 2004 and authorizes a PILOT bond issuance of up to \$7.2 million to subsidize the construction of a mixed use development on what is currently the Rhode Island Metro station’s parking lot.

This Bill has a cost of \$3.6 million over the 2008-2011 budget and financial plan for two reasons. First, the PILOT period begins after the property becomes taxable. Currently this property is tax exempt, but will be paying property taxes when the property is transferred from WMATA to the

developer in early 2008. However, the PILOT period does not begin until October of 2010. Therefore, the PILOT payments of approximately \$500,000 in FY 2010 and \$1.1 million in FY 2011 are monies that would have otherwise gone to the District's General Fund.

Secondly, the legislation grants a sales tax exemption up to \$2 million on building materials used in the construction of this project over the FY 2008 budget and FY 2008-2011 financial plan.

Thank you for this opportunity to comment. I would be glad to answer any questions.