

PUBLIC OVERSIGHT ROUNDTABLE ON

“Real Property Tax Abatement for Chemonics International, Inc.”

**Before the
Committee on Finance and Revenue
Council of the District of Columbia
The Honorable Jack Evans, Chairman
December 12, 2018
11:30 AM
John A. Wilson Building, Room 120**



**Testimony of
Wharton H. Berger
Director of Economic Development Finance
Office of the Chief Financial Officer**

**Jeffrey S. DeWitt
Chief Financial Officer
Government of the District of Columbia**

Good morning Chairperson Evans and members of the Committee on Finance and Revenue. My name is Wharton Berger, Executive Director of the Office of Economic Development Finance for the Office of the Chief Financial Officer. I am pleased to testify on Amendment #1 to Bill 22-918, the “Local Jobs and Tax Incentive Amendment Act of 2018”.

The proposed amendment would provide a real property tax abatement to Chemonics International over an 8-year period beginning October 1, 2022, with a maximum annual value of \$650,000, for a total abatement value of \$5.2 million.

Chemonics is seeking a new single location to replace its existing headquarters which are currently split between Washington, DC and Arlington, VA. Chemonics is currently considering leasing office space (which has yet to be constructed) on the northwest corner of New Jersey Avenue, SE and N Street, SE, known for taxation purposes as Square 0743 Lot 0094.

Based on the existing profitability of the company, the proposed abatement is not necessary for Chemonics to meet its financial needs. Moreover, without fully understanding the criteria Chemonics is using to make its locational decision or knowing which other cities are being

considered, the OCFO cannot opine definitively on the necessity of the \$5.2 million subsidy.

Thank you for the opportunity to testify. This concludes my testimony and I am happy to answer any questions you have at this time.