

PUBLIC HEARING ON

Bill 22-915, “Randall School Museum and Housing Development Real Property Tax Abatement Act of 2018”

**Before the
Committee on Finance and Revenue
Council of the District of Columbia
The Honorable Jack Evans, Chairman
December 12, 2018
11:00 AM
John A. Wilson Building, Room 120**



**Testimony of
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**Jeffrey S. DeWitt
Chief Financial Officer
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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 Bill 22-915, the “Randall School Museum and Housing Development Real Property Tax Abatement Act of 2018” (the “Bill”).

The Randall School Museum and Housing Development project is a \$200 million project to convert a vacant public school into an art museum and add a new 489-unit apartment building on the surrounding school grounds where 20% of the units will be affordable at 80% of area median income (or AMI). The project is led by Lowe Enterprises in conjunction with the Telesis Corporation and the Rubell family.

The property is located at 820 Half Street, SW and is currently owned by the Corcoran Gallery of Art. The Council previously provided a property tax exemption for the property in the Randall School Development Project Tax Relief Act of 2009, but that exemption would become ineffective once the current owner, the Corcoran Gallery of Art, transfers ownership to the new development team. Construction is expected to begin in late 2019 and end approximately three years later.

The OCFO finds that it is not likely that the project could attract financing without an abatement. However, the proposed 20-year abatement is more than is necessary for the project to attract financing. If the Council chooses to support this project, the Council could reduce the term of the abatement to 10 years or reduce the annual amount of the abatement to \$1.1 million. Either of those options would still increase the profitability of the project enough to attract financing.

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