

# **Mypheduh Films DBA Sankofa Video and Books Real Property Tax Exemption Act of 2019, Bill 23-75**

**Before the Committee on Business and Economic Development**

**The Honorable Kenyan R. McDuffie, Chairperson**

**June 3, 2019, 10:00 AM  
Room 500, John A. Wilson Building**



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

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

Good morning Chairman McDuffie and members of the Committee on Business and Economic Development. My name is Wharton H. Berger, I am the Executive Director of the Office of Economic Development Finance for the Office of the Chief Financial Officer (OCFO). I am pleased to present testimony on Bill 23-75, the “Mypheduh Films DBA Sankofa Video and Books Real Property Tax Exemption Act of 2019” (the “Bill”). For purposes of this testimony, I shall refer to the property owner as “Sankofa Video.”

The Bill would amend Chapter 46 of Title 47 of the District of Columbia Official Code to provide a ten-year exemption from property tax for Square 2885, Lot 884 located at 2714 Georgia Avenue, N.W. and provide equitable relief. To receive the tax exemption, the Bill requires that: (1) the property is owned and maintained by Sankofa Video, or an entity controlled or directed by Sankofa Video; (2) the property is operated as either a café, video store, or book store; (3) that at least 51% of the permanent jobs are filled by District residents, with a minimum of 30% of the District resident jobs reserved for Ward One residents; and (4) all apprenticeships are reserved for District residents, with preference given to Ward One residents. The Mayor is required to certify to the Office of Tax and Revenue that the property satisfies the eligibility requirements for the exemption.

According to the applicant, the purpose of the proposed ten-year exemption is to provide tax relief that will allow the entity to expand its operations and undertake capital improvements on its facility. The Office of Economic Development Finance has reviewed financial statements provided by the owner and concluded that the proposed exemption is not necessary given the entity operates profitably.

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

Government of the District of Columbia  
Office of the Chief Financial Officer



**Jeffrey S. DeWitt**  
Chief Financial Officer

**TAX ABATEMENT FINANCIAL ANALYSIS**

**TO:** The Honorable Muriel Bowser  
Mayor, District of Columbia

The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer

**DATE:** April 24, 2019

**SUBJECT:** "Mypheduh Films DBA Sankofa Video and Books Real Estate Property  
Tax Exemption Act of 2019"

**REFERENCE:** Bill 23-75

**Findings**

The proposed bill would exempt Lot 884 in Square 2885 from real property taxation for a 10-year period beginning on October 1, 2019. The abatement proposed by Bill 22-75 is not necessary for Mypheduh Films Inc. DBA Sankofa Video and Books <sup>1</sup> to meet its fiscal needs. The annual Profit and Loss statement for Sankofa Video and Books given to the Office of the Chief Financial Officer ("OCFO") submitted by Mypheduh Films ("MFI") shows MFI has the ability to operate profitably without the exemption. <sup>2</sup>

**Background**

MFI is located at 2714 Georgia Avenue, NW is owned and operated by Shirikiana Gerima. MFI specializes in videos and books about people of African descent around the world. The store opened in 1998 in a two-floor building the couple purchased to house their film production company, using the first floor as an office and the second as a 2,000-square-foot storefront to sell their films.

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<sup>1</sup> Mypheduh Films, Inc. ("MFI") is a film distribution company founded by Haile and Shirikiana Gerima in 1982.

<sup>2</sup> Sankofa Café, which operates on the property and may benefit from the abatement, is a separate entity owned by another vendor. We have been informed by the applicant that its income is not included in Sankofa Video and Books Profit & Loss.

## **Tax Abatement Financial Analysis**

The Exemptions and Abatements Information Requirements Act of 2011 requires the analysis provided by the OCFO to contain the following information:

### **(A) Terms of the Abatement**

The proposed legislation provides a 10-year property tax abatement to Lot 884 in Square 2885. The 10-year abatement would apply from October 1, 2019 through September 30, 2029.

Additional requirements for the abatement include:

1. The property is owned by MFI;
2. The property is operated as either a café, video store, or book store;
3. At least 51percent of permanent jobs at the Sankofa Video and Books store shall be filled by District residents, with a minimum of 30 percent of the District resident jobs reserved for Ward One residents; and
4. All apprenticeships shall be reserved for District residents with preference given to Ward One residents.

### **(B) Value of the Abatement**

	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023- FY 2029</b>	<b>TOTAL</b>
<b>Abated Real Property Tax</b>	<b>\$0</b>	<b>\$33,022</b>	<b>\$34,673</b>	<b>\$36,407</b>	<b>\$311,245</b>	<b>\$415,346</b>

### **(C) Purpose of the Abatement**

According to MFI, the proposed purpose of the abatement is to provide tax relief to MFI that will allow MFI to expand its operations and undertake capital improvements on its facility. (See Statement of Community Benefits for detailed use of proposed tax relief).

### **(D) Summary of the Proposed Community Benefits**

See the Statement of Community Benefits, provided by MFI, below.

### **(E) Financial Analysis and Advisory Opinion**

The past three years of unaudited Profit & Loss statements show MFI is able to make real property tax payments and still achieve positive net cash income in each year. Therefore, the proposed property tax abatement is not necessary.

## **Conclusion**

The 10-year real property tax abatement proposed by Bill 22-75 is not necessary for Mypheduh Films Inc. DBA Sankofa Video and Books to meet its fiscal needs.

## **Applicant Provided Statement of Community Benefits**

### Background: Sankofa the Institution

Mypheduh Films (MFI) is a film distribution company founded by Shirikiana and Haile Gerima in Washington, DC in 1982. In addition to distributing their own films, the couple brought independent films from filmmakers of color around the work to DC audiences around the city, usually at no charge and with the support of local grants. This included Street Cinema that took films to various DC neighborhoods for outdoor screenings and film festivals at art houses including the Biograph Theatre in Georgetown which is now a CVS. Sankofa Video and Bookstore (SVB), was added to the mix in 1997 when MFI purchased its current building at 2714 Georgia Ave NW. Sankofa Video and Books specializes in videos and books about people of African descent around the world. Named after the film of the same name (produced by the founders), Sankofa carries with it an expectation of quality and discovery. Sankofa Café was added to the premises in 2007 adding a combined charm to the video and book business that attracts the hungry and the inquisitive.

We are honored to be located within the historically rich corridor of Georgia Avenue, only one block from two institutions acclaimed internationally for their excellence in pedagogy, Howard University and Benjamin Banneker High School. By offering patrons access to great literature and great films under the same roof, SVB has strived to enhance the corridor’s cultural/educational offerings. Over the 20 years since it’s founding, SVB has become a place for people of all ages and backgrounds to gather, relax, read, question, contemplate and produce.

We are proud to have been an informal writing sanctuary for authors such as George Derek Musgrove, co-writer of *Chocolate City; A History of Race and Democracy in the Nation’s Capital* and more. We have hosted events with artists and other intellectuals on and off site at larger venues. This includes such luminaries as Ta-Nehisi Coates, Sonya Sanchez, and Haki Madhubuti, as well as first time authors such authors of *A is for Anacostia* and *Brown Prince* respectively. In the fall we will be hosting the DC launch of Walter Moseley’s latest book, *John Woman*.

DC is rated one of the top literary cities in the country and we are proud to have been a contributor to that local culture over the past two decades.

### Why We are Requesting Tax Abatement for the Next 10 Years

**The savings of nearly \$30,000 annual tax burden would allow Mypheduh Films DBA Sankofa Video and Books to stabilize and expand.**

We currently employ three part-time and one full time staff. We have been working hard to increase revenue with this skeletal staff in order to bring on three more positions and increase one position from part-time to full-time, but the pace of growth is thwarted by heavy taxes.

Nearly \$3,000 per month savings will go toward:

1. Hiring a manager for the bookstore who is a DC resident. This will make a great impact on the store revenue, putting us in a position to increase our buyer’s hours from part-time to full-time;
2. Hiring two assistant editors from DC who will work on completing the following films:
  - a. CHILDREN OF ADWA
  - b. MAROONS IN AMERICA
  - c. FILM ON KWAME TURE/STOKELY CARMICHAEL
3. Strengthening the existing programs and initiatives
4. Increasing the number of onsite and offsite book events and thereby increase the literary culture of both Ward 1 and the city.
5. Replacing heating system
6. Upgrading a high tech film training center on second floor
7. Hiring graphics/computer manager. Our current person can only volunteer a few hours of his time. He is a DC resident. (Hiring this graphics/computer manager will make our websites more functional and therefore increase sales. A better functioning online presence actually brings more people to our store for events and just to browse. Because of the unique mix of businesses and activities in our space, a social culture is created that draws traffic into it, which generates more sales and of course strengthening our retail tax collection and our ability to expand.

**A disproportionate amount of our income goes to taxes as compared with similar properties.**

1. The properties of similar size on the Georgia Ave corridor are paying a fraction of our tax burden:  
2632 Georgia Ave NW - \$15,000  
2612 Georgia Ave NW – \$13,000  
2827 Georgia Ave NW - \$ 6,000
2. Compared to our property at 2714 Georgia Ave. NW: \$27,226  
Property tax 2015     31%    of total income  
Property tax 2016     30%    of total income  
Property tax 2017     31%    of total income

**Ward 1 and the rest of the DC area can continue benefitting from the unique services we provide. Considering the services we provide, our tax burden should be reconsidered.**

1. We produce and distribute feature films that have garnered accolades from Europe, Africa, Asia and South America. All of these titles were produced here in Washington, DC, either in the basement of our home (where we started our company), in our K Street office (where we rented space), or in our current location on Georgia Ave. purchased 20 years ago. All films have been produced with several DC residents as paid actors or crew. These titles include,
  - a. TEZA
  - b. SANKOFA

- c. ADWA – AN AFRICAN VICTORY
  - d. FOOTPRINTS OF PAN AFRICANISM
  - e. THROUGH THE DOOR OF NO RETURN
  - f. BRICK BY BRICK
  - g. AFTER WINTER – STERLING BROWN
  - h. WILMINGTON 10 – USA 10,000
2. We offer periodic courses and apprenticeships in filmmaking open to the public: scriptwriting, directing, acting, distribution, producing;
3. Film exhibitions are open to the public from around the world, curated and attended by the filmmaker or film scholar;
4. Video documentation of community icons in growing archive much of which will be available at no cost to the public online. The Sankofa channel on YouTube (<https://m.youtube.com/user/SankofaVB/videos?sort=dd&view=0&flow=list>) is already up and running featuring dozens of events recorded at Sankofa Bookstore;
5. The provision of books and movies in a full service bookstore, always open to the public and 90% of our events are at no cost:
  - a. Book signings and discussions, receptions
  - b. Neighborhood author access
  - c. Poetry/open mics
  - d. Live Music
  - e. Wholesome food on the premises
  - f. Outdoor front garden and rear double deck for enjoying good weather, good food, good book and good company;
  - g. Provision of the largest black children’s literature offering in the DC area.
  - h. Regular children’s storytelling/literacy event, “Happy Nappy Storytelling.” We are currently extending our Book Drive for children being detained by immigration services in Virginia. These books are primarily in the Spanish language;
6. We have become a destination for tourists who come with family or school groups from around the country and globally.
7. We provide families with incarcerated relatives with shipping services to penitentiaries that require books be sent from bookstores only. This service is open to anyone at no cost other than shipping charges.

In summary, Mypheduh Films DBA/Sankofa Video and Books would like to continue to provide these unique services to our city. We have been happy to provide them for the past twenty years, and we are more than happy to continue to provide them and improve them in a way that will make the city boast. Please assist us in this effort.