

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: JUN 14 2007

SUBJECT: Fiscal Impact Statement: "Capitol Riverfront Business Improvement District Amendment Act of 2007"

REFERENCE: Bill 17-208

Conclusion

Funds are sufficient in the FY 2007 budget and the proposed FY 2008 through 2011 budget and financial plan (as approved by Council) to implement the provisions of the proposed resolution. The administrative costs of tax collection are reimbursable to the District.

Background

The proposed legislation amends the Business Improvement District Act of 1996 to create the Capitol Riverfront BID. This amendment levies a special BID tax on non-exempt real properties of:

- \$.09 per \$100 of assessed value on unimproved land or commercial buildings less than 50,000 gross square feet;
- \$.04 per \$100 of assessed value of land and buildings used for industrial, utility, or storage;
- \$.02 per \$100 of assessed value of land and buildings located within the right of way for the proposed realignment of the Frederick Douglass Memorial Bridge;
- \$.12 per square foot of commercial buildings greater than 50,000 square feet (not to exceed \$75,000 per year per building);
- \$72 per hotel room annually; and
- \$96 per unit for residential properties (with a discount for affordable housing units).

The amendment further authorizes an annual 5% increase in the BID taxes.

These taxes are paid in addition to regularly paid property taxes. The new taxes support the BID, which are set up to help the District to promote economic growth and employment. The administrative costs to set up and maintain the tax collection of the BID tax are reimbursable to the District.

Financial Plan Impact

Funds are sufficient in the FY 2007 budget and the proposed FY 2008 - FY 2011 budget and financial plan to implement the provisions of the proposed legislation. All pre-existing taxes will be collected from businesses located within the BID and deposited in the General Fund. The special BID tax authorized by this bill would provide additional revenue from Capitol Riverfront businesses to be used solely for Capitol Riverfront business development projects.

The proposed legislation will result in reimbursable administrative costs to the Office of Tax and Revenue of \$14,000 in FY 2007 and \$30,000 from FY 2007 through FY 2011.