

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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** March 29, 2012

**SUBJECT:** Fiscal Impact Statement – “Capitol Riverfront BID Amendment Act of 2012”

**REFERENCE:** Bill Number 19-707 – As Introduced

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**Conclusion**

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2015 budget and financial plan to implement the bill.

**Background**

The bill amends existing law<sup>1</sup> to establish a new Business Improvement District (BID) tax rate structure for the Capitol Riverfront BID. The changes are as follows:

- The current rate of \$0.09 per \$100 of assessed value for real property containing less than 50,000 square feet of gross buildable area and \$0.12 per \$100 for real property over 50,000 square feet of gross buildable area is changed to \$0.16 per square foot for commercial buildings greater than 8,000 square feet, \$0.09 per square foot for commercial buildings less than 8,000 square feet. The current rate of \$0.04 per \$100 of assessed value for land and buildings with active industrial use is deleted. The \$75,000 cap per property is increased to \$100,000.
- A new rate for unimproved land is created at \$0.36 per square foot for land under 88,000 square feet, \$0.065 per square foot between 88,000 and 200,000 square feet, and \$0.18 per square foot for land over 200,000 square feet. The BID tax is capped at \$100,000 annually on these properties.
- The current rate of \$0.02 per \$100 of assessed value for property in the right of way of the Frederick Douglas Memorial Bridge is increased to \$0.08 per square foot.
- The current rate \$72 annually per hotel room is increased to \$95 annually per hotel room.

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<sup>1</sup> D.C. Official Code § 2-1215.58(c)(1), effective October 18, 2007.

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FIS: B19-707 "Capitol Riverfront BID Amendment Act of 2012," as Introduced

- The current rate of \$96 annually per residential unit is increased to \$120 annually per residential unit.

### **Financial Plan Impact**

Funds are sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the provisions of the bill.

The Office of Tax and Revenue helps the various District BIDs with the collection of the BID tax and is reimbursed for its efforts. However, the BID tax is not a part of the District's budget, so the budget and financial plan are not affected by the BID tax rate changes. For FY 2012, the Capitol Riverfront BID projects raising in excess of \$1.7 million through the BID tax.