


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



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: March 19, 2025

SUBJECT: Fiscal Impact Statement – 1333 M Street, SE Tax Abatement
Amendment Act of 2025

REFERENCE: B26-40, Draft Committee Print as provided to the Office of Revenue
Analysis on March 18, 2025

Conclusion

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill.

Background

The owner of 1333 M Street, S.E. plans to develop the property¹ into 900 residential apartment units and 45,000 square feet of retail space, across three buildings. The bill provides the property owner with a fifteen-year abatement of real property taxes, beginning October 1, 2029. The amount of the abatement will be equal to the portion of real property taxes exceeding \$150,000 annually, and it is subject to the property owner meeting conditions as outlined in the bill, including:

- Setting aside 12% of the gross residential floor area for Inclusionary Zoning units for households earning up to 60% of area median income, including at least 3 two-bedroom units in the project's East Tower for families earning up to 50% of area median income.
- Public space improvements, including a neighborhood greenway, numerous plazas, a reconstructed Anacostia bicycle trail at M Street SE, a reconstructed Virginia Avenue S.E., and 52 public bicycle spaces.

¹ Known for tax and assessment purposes as Lot 2 in Square 1048-S

The Honorable Phil Mendelson

FIS: "1333 M Street, SE Tax Abatement Amendment Act of 2025", B26-40, Draft Committee Print as provided to the Office of Revenue Analysis on March 18, 2025

- \$25,000 to the Department of Parks and Recreation to support senior programming at the Arthur Capper Recreation Center.
- \$25,000 to the Seafarer's Yacht Club for operations and club preservation.

Financial Plan Impact

Funds are sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The abatement cost would fall entirely outside of the four-year financial plan period. The Office of the Chief Financial Officer has projected² the total cost of the abatement at \$61.7 million over the fifteen-year term.

² [Tax Abatement Financial Analysis - 1333 M Street, SE Tax Abatement Amendment Act of 2024 | ocfo.](#)