To: All Councilmembers  
From: Jack Evans, Chairperson  
Date: November 8, 2006  
Subject: Report on Bill 16-936, the "NoMa Improvement Association Business Improvement District Amendment Act of 2006".

The Committee on Finance and Revenue reports favorably on Bill 16-936, the "NoMa Improvement Association Business Improvement District Amendment Act of 2006" and recommends its approval by the Council of the District of Columbia.

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I. BACKGROUND, PURPOSE AND EFFECT

On October 2, 2006 Councilmember Ambrose introduced Bill 16-936, the "NoMa Improvement Association Business Improvement District Amendment Act of 2006". A public hearing was held on the bill on Thursday, November 2, 2006. On November 8, 2006 the Committee on Finance and Revenue met to consider and markup Bill 16-936.

The purpose of 16-936, the "NoMa Improvement Association Business Improvement District Amendment Act of 2006," is to amend the Business Improvement Districts Act of 2006.
to establish the North of Massachusetts, or NoMa, Improvement Association business improvement district (BID). This BID is to be located in Ward 6 beginning at the intersection of Massachusetts Avenue, NE and 1st Street, NE.

II. LEGISLATIVE HISTORY

October 2, 2006    Bill 16-936 is introduced by Councilmember Ambrose.
October 3, 2006   Bill 16-936 is referred to the Committee on Finance and Revenue,
October 20, 2006  Notice of introduction of Bill 16-936 is published in the District of Columbia Register'.
October 27, 2006  Abbreviated/Revised notice of a public hearing is published in the District of Columbia Register².

November 2, 2006   The Committee on Finance and Revenue holds a public hearing on Bill 16-936.
November 8, 2006   The Committee on Finance and Revenue discusses and marks-up Bill 16-936.

II. SUMMARY OF TESTIMONY

A public hearing was held on Thursday, November 2, 2006, beginning at approximately 11:00 a.m., on Bill 16-936, and other measures. Committee Chair Jack Evans was in attendance.

Councilmember Evans presented his opening statement on Bill 16-936, the "NoMa Improvement Association Business Improvement District Amendment Act of 2006" and summarized the purposes of the legislation.

Bruce Baschuk, President of J Street Development and Chairman of the NoMa Improvement Association, testified in support of the legislation. Mr. Baschuk has chaired the efforts to establish a NoMa BID, and acknowledged that he has been joined in these efforts by many other NoMa property owners and developers. A copy of Mr. Baschuk's testimony is included in Attachment E of this report.

¹Page 8440 of the October 20, 2006 District of Columbia Register.

²Pages 8723-8724 of the October 27, 2006 District of Columbia Register.
Jim Evans, Managing Director with Tishman Speyer, testified in support of the legislation. Mr. Evans explained that Tishman Speyer acquired a 3.5 acre site in the NoMa neighborhood with the intent to build 1.4 million square feet of office and residential development. Mr. Evans expressed excitement about the prospects for the NoMa neighborhood and reiterated strong support for the establishment of the NoMa BID. A copy of Mr. Evans' testimony is included in Attachment E of this report.

Deborah Perry, Asset Manager for Union Center Plaza Management, testified in support of the legislation. Ms Perry represents a property currently serviced by the Downtown BID and expressed her support for joining the NoMa BID. A copy of Ms. Perry's testimony is included in Attachment E of this report.

Barry Margeson, Project Manager, reSTORE DC Initiative, Office of the Deputy Mayor for Planning and Economic Development testified in support of legislation and the NoMa BID establishment. Mr. Margeson acknowledged reSTORE DC’s familiarity with the effort to establish this BID, and has provided technical assistance to the feasibility phase of the NoMa Improvement Association. Mr. Margeson also briefly explained the Mayor's process for review and approval of the BID. A copy of Mr. Margeson's testimony is included in Attachment E of this report.

Sherryl Hobbs Newman, Deputy Chief Financial Officer, Office of Tax and Revenue, testified in support of the legislation. Ms. Newman said the CFO's office encourages legislation such as Bill 16-936 because business improvement districts provide an equitable and reliable means of acquiring funds for services that supplement basic services already provided by the District. A copy of Ms. Newman's testimony is included in Attachment E of this report.

IV. FISCAL IMPACT

Bill 16-936 will not have a fiscal impact. The NoMa BID is to be self-funded through the imposition of a tax to be levied against non-exempt real property. Every dollar collected by the District will be returned to the BID corporation. A copy of the fiscal impact statement signed by the Chief Financial Officer is included in Attachment C.

V. SECTION-BY-SECTION ANALYSIS

Section 1 provides the title of the legislation.

Section 2 amends Title 2 of the D.C. Code to approve the establishment of the NoMa Business Improvement District. States the exact boundaries of the BID and the taxes for nonexempt real properties within the BID.

Section 3 is the fiscal impact statement.
Section 4 is the effective date.

VI. IMPACT ON EXISTING LAW

16-936 has no impact on any existing District of Columbia law.

VII. COMMITTEE ACTION

The Committee on Finance and Revenue met on November 8, 2006 to consider and mark-up Bill 16-936, and other measures. The meeting convened at 12:10 p.m. Committee Chairman Evans recognized the presence of a quorum, consisting of himself, and Councilmembers Patterson and Orange.

Committee Chairman Evans made opening remarks and opened the floor for discussion on the print and the report. Evans then moved the draft Committee Print and draft Committee Report on Bill 16-936, with leave for the Committee staff to make technical and conforming amendments.

The members voted as follows:

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<th>Committee Print on Bill 16-936</th>
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<td>Chairman Evans</td>
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<tr>
<td>Councilmember Barry</td>
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<td>Councilmember Orange</td>
<td>YES</td>
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<tr>
<td>Councilmember Patterson</td>
<td>YES</td>
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</table>

The committee meeting adjourned at 12:30 p.m.

VIII. ATTACHMENTS

A. Bill 16-936 as introduced.
B. Committee Print of Bill 16-936.
C. Fiscal Impact Statement.
D. Public hearing notice for Bill 16-936.
E. Witness list and copies of testimony from the November 2, 2006 public hearing on Bill 16-936.
ATTACHMENT A
To: Members of the Council

From: Phyllis Jones, Secretary to the Council

Date: October 2, 2006

Subject: Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Thursday, October 05, 2006. Copies are available in Room 10, the Legislative Services Division.

TITLE: "NoMa Improvement Association Business Improvement District Amendment Act of 2006", B16-0936

INTRODUCED BY: Councilmember Ambrose

The Chairman is referring this legislation to the Committee on Finance and Revenue.

Attachment

cc: General Counsel
    Budget Director
    Legislative Services
A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Councilmember Ambrose introduced the following bill, which was referred to the Committee on

To amend the Business Improvement Districts Act of 1996 to establish the NoMa Improvement Association business improvement district.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "NoMa Improvement Association Business Improvement District Amendment Act of 2006".

Sec. 2. The Business Improvement Districts Act of 1996, effective May 29, 1996 (D.C. Law 11-134; D.C. Official Code § 2-1215.01 etseq.), is amended as follows:

(a) Section 2 (D.C. Official Code § 2-1215.02(18)), is amended by striking the phrase "Mount Vernon Triangle BID" and inserting the phrase "Mount Vernon Triangle BID or NoMa BID" in its place.

(b) Section 5 (D.C. Official Code §2-1215.04), is by striking the phrase "or Adams Morgan" and inserting the phrase "Adams Morgan or NoMa" in its place.

(c) A new section 207 is added to read as follows:

"Sec. 207. NoMa Improvement Association BED."
"(a) Subject to review and approval by the Mayor under the provisions of sections 5 and 6, the formation of the NoMa Improvement Association BID, including nonexempt real property within the geographic areas set forth in subsection (b) of this section, is hereby authorized and the BID taxes established in subsection (c) of this section are hereby imposed through the expiration date of this act or the termination or dissolution of the BID.

"(b)(1) The NoMa Improvement Association BID shall be comprised of the geographic area bounded by a line that starts at the center of the street at the intersection of Massachusetts Avenue, N.E. and 1st Street, N.E.; continuing north along the center line of 1st Street, N.E., to the center line of H Street, N.E.; continuing east along the center line of H Street, N.E. to the center line of 2nd Street, N.E.; continuing north along the center line of 2nd Street, N.E. to the center line of K Street, N.E.; continuing east along the center line of K Street, N.E. to the center line of 3rd Street, N.E.; continuing north along the center line of 3rd Street, N.E. (and including Square 0774, Lot 0058) to the center line of M Street, N.E.; continuing east along the center line of M Street, N.E. to 4th Street, N.E.; continuing along the center line of 4th Street, N.E. to the center line of Florida Avenue, N.E.; continuing northwest along the center line of Florida Avenue, N.E. until it crosses the WMATA rail line; continuing northeast along the boundary of the WMATA rail line until it crosses R Street, N.E.; continuing west along the center line of R Street, N.E. to Eckington Place, N.E.; continuing south along the center line of Eckington Place, N.E. to the center line of Q Street, N.E.; continuing west along the center line of Q Street, N.E. (and including Square 3519, Lots 0043, 0063 and 0070) to the center line of North Capitol Street (but excluding Square 3516, Lots 0104-0114, 0118-0133, and 0807); continuing south along the center line of North Capitol Street to the center line of Eye Street,
N.W.; continuing west along the center line of Eye Street, N.W. to the center line of New Jersey
Avenue, N.W.; continuing southeast along the center line of New Jersey Avenue, N.W. to the center
line of Massachusetts Avenue, N.W.; continuing southeast along Massachusetts Avenue, N.W. to
the center line of 1st Street, N.E. (the staring point).

"(2) Notwithstanding anything contained in subsection (b)(1), any property within the NoMa
Improvement Association BID geographic area that is also within the geographic area of the
Downtown BID shall not deemed part of the NoMa Improvement Association BID until October 1,
2007.

"(c)(1) The BED taxes for the nonexempt real properties in the NoMa Improvement
Association BID shall be:

"(A) $0.15 per rentable square foot for buildings of 50,000 square feet or more, which
rate shall become effective one (1) year after issuance of final certificate of occupancy.
Notwithstanding anything contained herein, those buildings which have a certificate of occupancy
or other District license indicating that the building use is for industrial purposes in which case such
buildings will be assessed at the rate set forth in subparagraph (B) below;

"(B) $0.05 per $100 of the prior year's assessed value of all buildings that are less
than 50,000 square feet or other unimproved land;

"(C) $90.00 per hotel room annually; and

"(D) $120 per unit annually for nonexempt residential condominium properties.

"(2) A four percent (4%) increase in the BID taxes over the current tax year rates specified
in subsection (a) of this section is hereby authorized subject to the requirements of §2-1215.08(b)."
Sec. 3. Fiscal Impact Statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective Date.

This act shall take effect following approval by the mayor (or in the event of a veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206(c)(1)), and publication in the District of Columbia Register.
ATTACHMENT

B
To amend the Business Improvement Districts Act of 1996 to establish the NoMa Improvement Association business improvement district.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "NoMa Improvement Association Business Improvement District Amendment Act of 2006".

Sec. 2. The Business Improvement Districts Act of 1996, effective May 29, 1996 (D.C. Law 11-134; D.C. Official Code § 2-1215.01 et seq.) is amended as follows:

(a) Section 2 (18) (D.C. Official Code § 2-1215.02(18)) is amended by striking the phrase "Mount Vernon Triangle BED" and inserting the phrase "Mount Vernon Triangle BID or NoMa BID" in its place.

(b) Section 5 (D.C. Official Code § 2-1215.04), is by striking the phrase "or Adams Morgan" and inserting the phrase "Adams Morgan, or NoMa" in its place.

(c) A new section 207 is added to read as follows:

"Sec. 207. NoMa Improvement Association BID.

"(a) Subject to review and approval by the Mayor under the provisions of sections 5 and 6, the formation of the NoMa Improvement Association BID, including nonexempt real property within
the geographic areas set forth in subsection (b) of this section, is hereby authorized and the BID taxes 1
established in subsection (c) of this section are hereby imposed through the expiration date of this 2
act or the termination or dissolution of the BID.

"(b)(1) The NoMa Improvement Association BID shall be comprised of the geographic area 4
bounded by a line that starts at the center of the street at the intersection of Massachusetts Avenue, 5
N.E., and 1st Street, N.E.; continuing north along the center line of 1st Street, N.E., to the center line 6
of H Street, N.E.; continuing east along the center line of H Street, N.E., to the center line of 2nd 7
Street, N.E.; continuing north along the center line of 2nd Street, N.E., to the center line of K Street, 8
N.E.; continuing east along the center line of K Street, N.E., to the center line of 3rd Street, N.E.; 9
continuing north along the center line of 3rd Street, N.E. (and including Square 0774, Lot 0058), to 10
the center line of M Street, N.E.; continuing east along the center line of M Street, N.E., to 4th Street, 11
N.E.; continuing along the center line of 4th Street, N.E., to the center line of Florida Avenue, N.E.; 12
continuing northwest along the center line of Florida Avenue, N.E., until it crosses the WMATA rail 13
line; continuing northeast along the boundary of the WMATA rail line until it crosses R Street, N.E.; 14
continuing west along the center line of R Street, N.E., to Eckington Place, N.E.; continuing south 15
along the center line of Eckington Place, N.E., to the center line of Q Street, N.E.; continuing west 16
along the center line of Q Street, N.E. (and including Square 3519, lots 0043, 0063, and 0070), to 17
the center line of North Capitol Street (but excluding Square 3516, lots 0104 through 0114 and 0118 18
through 0133, and 0807); continuing south along the center line of North Capitol Street to the center 19
line of Eye Street, N.W.; continuing west along the center line of Eye Street, N.W., to the center line 20
of New Jersey Avenue, N.W.; continuing southeast along the center line of New Jersey Avenue,
N.W., to the center line of Massachusetts Avenue, N.W., continuing southeast along Massachusetts
Avenue, N.W., to the center line of 1st Street, N.E. (the starting point).

"(2) Notwithstanding subsection (b)(1) of this subsection, any property within the NoMa Improvement Association BID geographic area that is also within the geographic area of the Downtown BID shall not be deemed part of the NoMa Improvement Association BID ("overlapping properties") until October 1, 2007, conditioned upon the receipt of a resolution of the Board of Directors of the Downtown BID agreeing to release any overlapping properties from the Downtown BID.

"(c)(1) The BID taxes for the nonexempt real properties in the NoMa Improvement Association BID shall be:

"(A) The amount of $0.15 per rentable square foot for buildings of 50,000 square feet or more, which rate shall become effective one year after issuance of final certificate of occupancy; provided, that those buildings which have a certificate of occupancy or other District license for distribution, manufacturing, industrial, storage or similar warehouse use shall be assessed at the rate set forth in subparagraph (B) of this paragraph;

"(B) The amount of $0.05 per $100 of the prior year's assessed value of all buildings that are less than 50,000 square feet or other unimproved land;

"(C) The amount of $90 per hotel room annually; and

"(D) The amount of $120 per unit annually for nonexempt residential condominium properties.

"(2) A 4% increase in the BID taxes over the current tax year rates specified in subsection (a) of this section is hereby authorized subject to the requirements of section 8(b)."."
Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of a veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1), and publication in the District of Columbia Register.
MEMORANDUM

TO: The Honorable Linda W. Cropp  
   Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi  
       Chief Financial Officer

DATE: Nov 3, 2006

SUBJECT: Fiscal Impact Statement: "NoMa Improvement Association Business Improvement District Amendment Act of 2006"

REFERENCE: Bill 16-936 As Introduced

Conclusion

Funds are sufficient in the FY 2007 budget and the FY 2007 through 2010 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation amends the Business Improvement District Act of 1996 to create the NoMa BID. This amendment levies a tax on nonexempt real properties of:
- $.15 per rentable square foot of buildings greater than 50,000 square feet,
- $.05 per $100 of assessed value for industrial properties with buildings less than 50,000 square feet or unimproved land,
- $90 per hotel room annually, and
- $120 per unit for condominium properties.

The amendment further authorizes a 4% increase in the BID taxes.

These taxes are paid in addition to regularly paid property taxes. The new taxes support the BID which is established to promote economic growth and employment in the District.
Financial Plan Impact

Funds are sufficient in the FY 2007 budget and the proposed FY 2007- FY 2010 budget and financial plan to implement the proposed legislation. All pre-existing taxes will be collected from businesses located within the NoMa BID and deposited in the General Fund. The special assessments authorized by this bill would provide additional revenue from NoMa businesses to be used solely for NoMa 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 $26,000 from FY 2007 through FY 2010.

Figure 1.

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