

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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*Codification  
District of  
Columbia  
Official Code*

2001 Edition

2003 Supp.

West Group  
Publisher

To provide for a deferral of fees payable to the District of Columbia with respect to the Mandarin Oriental Hotel Project; to amend section 302 of the District of Columbia Recordation Tax Act to defer certain transfer and recordation taxes for the Mandarin Oriental Hotel Project; and to amend Title 47 of the District of Columbia Official Code to defer certain real property, sales, and other taxes during construction of the Mandarin Oriental Hotel Project.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Mandarin Oriental Hotel Project Tax Deferral Act of 2002".

Sec. 2. Fee deferral.

Note,  
§ 6-661.01

(a) For the purposes of this section, the term:

(1) "Development Sponsor" means Portals Hotel Site, LLC, a Delaware limited liability company, and its successors and assigns.

(2) "Mandarin Oriental Hotel Project" means the acquisition and initial development, construction, equipping, and furnishing of a Mandarin Oriental hotel within the Portals project, located on Square 299, Lot 831, consisting of a 400-room hotel with approximately 33,000 square feet of associated meeting and banquet space, 2 restaurants, a health spa and fitness center totaling approximately 10,000 square feet, and approximately 90,000 square feet of public parking space for approximately 200 cars.

(3) "Mandarin TIF Bonds" means the tax increment financing bonds issued in connection with the Mandarin Oriental Hotel Project pursuant to the Tax Increment Revenue Bonds Mandarin Hotel Project Emergency Approval Resolution of 2000, effective March 7, 2000 (Res. 13-510; 47 DCR 2133), and the Mandarin Hotel Project Modification Approval Resolution of 2000, effective December 19, 2000 (Res. 13-745; 48 DCR 83).

(b) All fees to be paid, and any deposits to be made, by or on behalf of the Development Sponsor in connection with the initial development, construction, equipping, and furnishing of the Mandarin Oriental Hotel Project under the eighth unnumbered paragraph of the General

Expenses title of An Act Making Appropriations to provide for the expense of the Government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and ten, and for other purposes, approved March 3, 1909 (35 Stat. 689; D.C. Official Code § 6-661.01), are hereby deferred until the Development Sponsor sells the Mandarin Oriental Hotel Project, as evidenced by the recordation of a deed conveying title to Square 299, Lot 831, at which time such amounts shall be due and payable without penalty or interest.

(c) The amount of all taxes, fees, and deposits deferred under subsection (b) of this section, section 302(25) of the District of Columbia Recordation Tax Act, approved March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1102(25)), and D.C. Official Code §§ 47-902(19), 47-1002(27), and 47-2005(33), shall not exceed, in the aggregate, \$4 million.

(d) This section shall apply upon the closing of the sale of the Mandarin TIF Bonds.

Amend  
§ 42-1102

Sec. 3. Section 302 of the District of Columbia Recordation Tax Act, approved March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1102), is amended by adding a new paragraph (25) to read as follows:

“(25)(A) Deeds conveying, vesting, granting, or assigning title to, an interest in, a security interest in, or an economic interest in the real property (and any improvements thereon) described as Square 299, Lot 831, in connection with debt or equity financing for the Mandarin Oriental Hotel Project until the Development Sponsor sells the Mandarin Oriental Hotel Project, as evidenced by the recordation of a deed conveying title to Square 299, Lot 831, at which time such amounts shall be due and payable without penalty or interest.

Note,  
§ 42-1102

"(B) The amount of all taxes, fees, and deposits deferred under this paragraph, section 2(b) of the Mandarin Oriental Hotel Tax Deferral Act of 2002, passed on 2nd reading on September 17, 2002 (Enrolled version of Bill 14-466), and D.C. Official Code §§ 47-902(19), 47-1002(27), and 47-2005(33), shall not exceed, in the aggregate, \$4 million.

"(C) For purposes of this paragraph, the term:

"(i) "Development Sponsor" means Portals Hotel Site, LLC, a Delaware limited liability company, and its successors and assigns.

"(ii) "Mandarin Oriental Hotel Project" means the acquisition and initial development, construction, equipping, and furnishing of a Mandarin Oriental hotel within the Portals project, located on Square 299, Lot 831, consisting of a 400-room hotel with approximately 33,000 square feet of associated meeting and banquet space, 2 restaurants, a health spa and fitness center totaling approximately 10,000 square feet, and approximately 90,000 square feet of public parking space for approximately 200 cars.

"(iii) "Mandarin TIF Bonds" means the tax increment financing bonds issued in connection with the Mandarin Oriental Hotel Project pursuant to the Tax Increment Revenue Bonds Mandarin Hotel Project Emergency Approval Resolution of 2000, effective March 7, 2000 (Res. 13-510; 47 DCR 2133), and the Mandarin Hotel Project Modification Approval Resolution of 2000, effective December 19, 2000 (Res. 13-745; 48 DCR

83).

"(D) This paragraph shall apply upon the closing of the sale of the Mandarin TIF Bonds."

Sec. 4. Title 47 of the District of Columbia Official Code is amended as follows:

Amend  
§ 47-902

(a) Section 47-902 is amended as follows:

(1) Paragraph (17) is amended by striking the phrase “; and” at the end of the paragraph and inserting a semi-colon in its place.

(2) Paragraph (18) is amended by striking the period at the end of the paragraph and inserting the phrase “; and” in its place.

(3) A new paragraph (19) is added to read as follows:

“(18)(A) Transfers with respect to the real property (and any improvements thereon) described as Square 299, Lot 831, in connection with the debt or equity financing for the Mandarin Oriental Hotel Project until the Development Sponsor sells the Mandarin Oriental Hotel Project, as evidenced by the recordation of a deed conveying title to Square 299, Lot 831, at which time such amounts shall be due and payable without penalty or interest.

Note,  
§ 47-902

“(B) The amount of all taxes, fees, and deposits deferred under this paragraph, section 2(b) of the Mandarin Oriental Hotel Tax Deferral Act of 2002, passed on 2nd reading on September 17, 2002 (Enrolled version of Bill 14-466), and §§ 42-1102(25), 47-1002(27), and 47-2005(33), shall not exceed, in the aggregate, \$4 million.

“(C) For purposes of this paragraph, the term:

“(i) “Development Sponsor” means Portals Hotel Site, LLC, a Delaware limited liability company, and its successors and assigns.

“(ii) “Mandarin Oriental Hotel Project” means the acquisition and initial development, construction, equipping, and furnishing of a Mandarin Oriental hotel within the Portals project, located on Square 299, Lot 831, consisting of a 400-room hotel with approximately 33,000 square feet of associated meeting and banquet space, 2 restaurants, a health spa and fitness center totaling approximately 10,000 square feet, and approximately 90,000 square feet of public parking space for approximately 200 cars.

“(iii) “Mandarin TIF Bonds” means the tax increment financing bonds issued in connection with the Mandarin Oriental Hotel Project pursuant to the Tax Increment Revenue Bonds Mandarin Hotel Project Emergency Approval Resolution of 2000, effective March 7, 2000 (Res. 13-510; 47 DCR 2133), and the Mandarin Hotel Project Modification Approval Resolution of 2000, effective December 19, 2000 (Res. 13-745; 48 DCR 83).

"(D) This paragraph shall apply upon the closing of the sale of the Mandarin TIF Bonds."

Amend  
§ 47-1002

(b) Section 47-1002 is amended as follows:

(1) Paragraph (25) is amended by striking the phrase “; and” at the end of the

paragraph and inserting a semi-colon in its place.

(2) Paragraph (26) is amended by striking the period at the end of the paragraph and inserting the phrase "; and" in its place.

(3) A new paragraph (27) is added to read as follows:

“(27)(A) The real property (and any improvements thereon) described as Square 299, Lot 831, during the period commencing October 1, 2001 and terminating, with respect to any portion of the real property, on the date that a final certificate of occupancy shall have been issued with respect to improvements on the portion of the real property, until the Development Sponsor sells the Mandarin Oriental Hotel Project, as evidenced by the recordation of a deed conveying title to Square 299, Lot 831, at which time such amounts shall be due and payable without penalty or interest.

Note,  
§ 47-1002

"(B) The amount of all taxes, fees, and deposits deferred under this paragraph, section 2(b) of the Mandarin Oriental Hotel Tax Deferral Act of 2002, passed on 2nd reading on September 17, 2002 (Enrolled version of Bill 14-466), and §§ 42-1102(25), 47-902(19), and 47-2005(33), shall not exceed, in the aggregate, \$4 million.

"(C) For purposes of this paragraph, the term:

"(i) "Development Sponsor" means Portals Hotel Site, LLC, a Delaware limited liability company, and its successors and assigns.

"(ii) "Mandarin Oriental Hotel Project" means the acquisition and initial development, construction, equipping, and furnishing of a Mandarin Oriental hotel within the Portals project, located on Square 299, Lot 831, consisting of a 400-room hotel with approximately 33,000 square feet of associated meeting and banquet space, 2 restaurants, a health spa and fitness center totaling approximately 10,000 square feet, and approximately 90,000 square feet of public parking space for approximately 200 cars.

"(iii) "Mandarin TIF Bonds" means the tax increment financing bonds issued in connection with the Mandarin Oriental Hotel Project pursuant to the Tax Increment Revenue Bonds Mandarin Hotel Project Emergency Approval Resolution of 2000, effective March 7, 2000 (Res. 13-510; 47 DCR 2133), and the Mandarin Hotel Project Modification Approval Resolution of 2000, effective December 19, 2000 (Res. 13-745; 48 DCR 83).

Amend  
§ 47-2005

"(D) This paragraph shall apply upon the closing of the sale of the Mandarin TIF Bonds."

(c) Section 47-2005 is amended as follows:

(1) Paragraph (31) is amended by striking the phrase "; and" at the end of the paragraph and inserting a semicolon in its place.

(2) Paragraph (32) is amended by striking the period at the end of the paragraph and inserting the phrase “; and” in its place.

(3) A new paragraph (33) is added to read as follows:

“(33)(A) Sales of tangible personal property to be incorporated in or consumed

in the course of the initial development, construction, equipping, and furnishing of the Mandarin Hotel Project until the Development Sponsor sells the Mandarin Oriental Hotel Project, as evidenced by the recordation of a deed conveying title to Square 299, Lot 831, at which time such amounts shall be due and payable without penalty or interest.

Note,  
§ 47-2005

"(B) The amount of all taxes, fees, and deposits deferred under this paragraph, section 2(b) of the Mandarin Oriental Hotel Tax Deferral Act of 2002, passed on 2nd reading on September 17, 2002 (Enrolled version of Bill 14-466), and §§ 42-1102(25), 47-902(19), and 47-1002(27), shall not exceed, in the aggregate, \$4 million.

"(C) For purposes of this paragraph, the term:

"(i) "Development Sponsor" means Portals Hotel Site, LLC, a Delaware limited liability company, and its successors and assigns.

"(ii) "Mandarin Oriental Hotel Project" means the acquisition and initial development, construction, equipping, and furnishing of a Mandarin Oriental hotel within the Portals project, located on Square 299, Lot 831, consisting of a 400-room hotel with approximately 33,000 square feet of associated meeting and banquet space, 2 restaurants, a health spa and fitness center totaling approximately 10,000 square feet, and approximately 90,000 square feet of public parking space for approximately 200 cars.

"(iii) "Mandarin TIF Bonds" means the tax increment financing bonds issued in connection with the Mandarin Oriental Hotel Project pursuant to the Tax Increment Revenue Bonds Mandarin Hotel Project Emergency Approval Resolution of 2000, effective March 7, 2000 (Res. 13-510; 47 DCR 2133), and the Mandarin Hotel Project Modification Approval Resolution of 2000, effective December 19, 2000 (Res. 13-745; 48 DCR 83).

"(D) This paragraph shall apply upon the closing of the sale of the Mandarin TIF Bonds."

Note,  
§§ 6-661.01,  
42-1102,  
47-902,  
47-1002,  
47-2005

Sec. 5. Inclusion in the budget and financial plan.

This act shall take effect subject to the inclusion of its fiscal effect in an approved budget and financial plan.

Sec. 6. Fiscal impact statement.

The Council adopts the fiscal impact 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. 7. Effective date.

This act shall take effect following approval by the Mayor (or in the event of 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

**ENROLLED ORIGINAL**

24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia