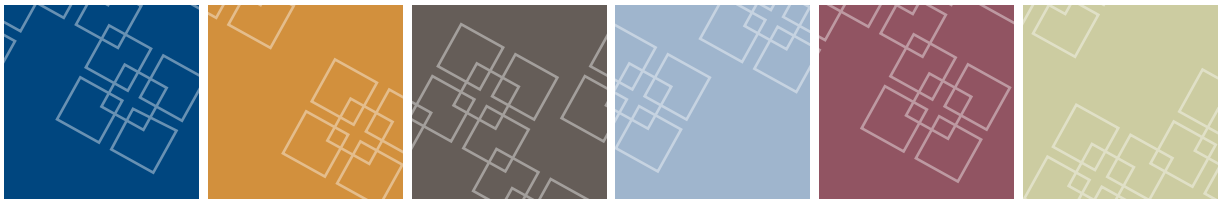


MOVE HERE. GROW HERE.

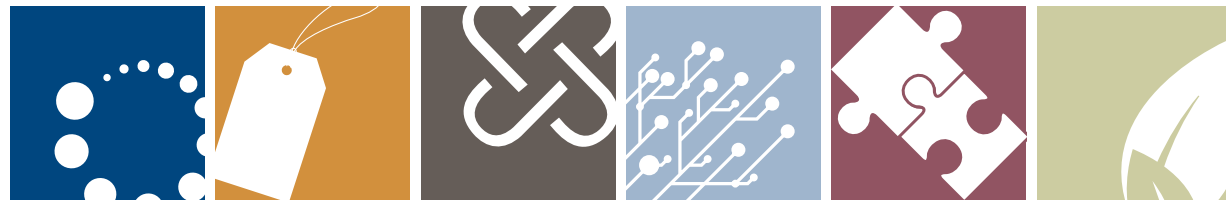


INCENTIVES FOR INVESTMENT IN  
WASHINGTON, DC

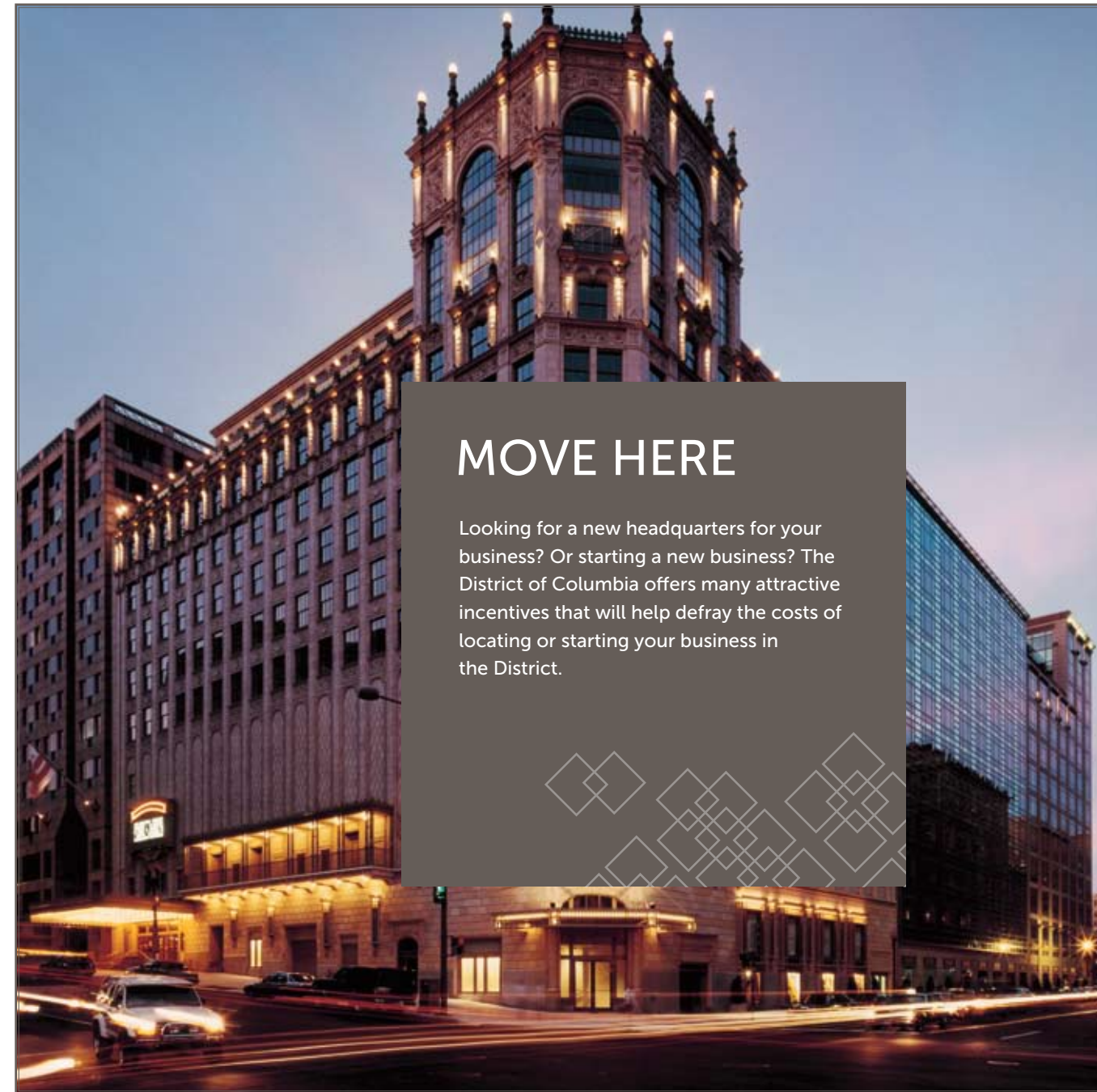
KEY

- DDOE: District Department of the Environment
- DOES: Department of Employment Services
- DSLBD: Department of Small and Local Business Development
- DCRA: Department of Consumer & Regulatory Affairs
- USSBA: U.S. Small Business Administration
- OTR: Office of Tax and Revenue
- DMPED: Office of the Deputy Mayor for Planning and Economic Development

TYPES OF INCENTIVES



DEVELOPMENT    RETAIL    EMPLOYMENT    TECHNOLOGY    NON-PROFIT    SUSTAINABILITY



# MOVE HERE

Looking for a new headquarters for your business? Or starting a new business? The District of Columbia offers many attractive incentives that will help defray the costs of locating or starting your business in the District.



# INCENTIVES

## Tax Increment Financing

DMPED



The District offers several innovative public financing tools where developers can use bond financing or bank loans to fund a portion of their construction costs. The funds are repaid over time using new taxes generated by the project.

## Neighborhood Tax Increment Financing (Neighborhood TIF)

DMPED



The District allocated \$95 million in TIF for qualified neighborhood revitalization and infrastructure projects along designated commercial corridors including Georgia Avenue, H Street NE and Martin Luther King, Jr. Avenue SE.

## Downtown Retail Tax Increment Financing (Retail TIF)

DMPED



The District allocated \$20 million in TIF to promote unique retail in the downtown core. Home goods, furniture and apparel retailers without existing locations nearby are preferred.

## Industrial Revenue Bond Program

DMPED



The District provides below market bond financing to lower the costs of borrowing for qualified capital construction and renovation projects. The program is available to non-profits, institutions, charter schools and private sector companies.

## Section 504 Loan

USSBA



This federal program was created to assist small businesses with purchasing their commercial property. The loan program offers up to 90% financing, 20-year fixed-rate loans at competitive interest rates.

## District Contracting: DSLBD Program

DSLBD



Certified small, local and/or disadvantaged business enterprises are given priority consideration for contracts offered by District agencies and on publicly-assisted projects. The company must be certified by DSLBD.

## Tax Abatement

DMPED



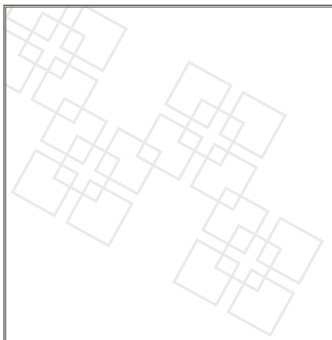
The District works individually with companies, institutions and non-profit organizations to design tax abatement packages to both attract and retain organizations of all sizes in the District of Columbia. Projects located in transitional neighborhoods will be given considerable preference.

## Franchise Tax Abatement

DMPED



The District works individually with companies to design tax abatement packages to both attract and retain enterprises of all sizes in the District of Columbia. Projects located in transitional neighborhoods will be given considerable preference.



### Supermarket Tax Exemption

DMPED



The District exempts the owner of a qualified supermarket in a priority development area from sales taxes on the purchase of building materials and equipment for construction or substantial rehabilitation of a qualified supermarket and exempts the qualified supermarket from the payment of license fees, personal property taxes and real property taxes levied on the supermarket for 10 years.

### Tax Credit for Employment of Disadvantaged Youth

DOES



This program is a new federal tax credit program offered as a result of the stimulus package.

### Work Opportunity Tax Credit

DOES



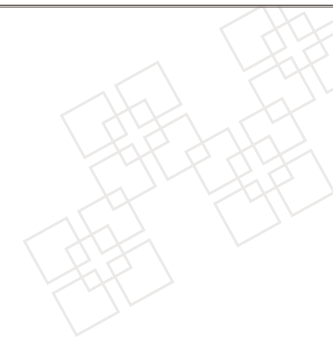
A federal tax credit is available for employers who hire employees that meet eligibility requirements, including employees who receive TANF funds, low-income ex-felons, veterans on food stamps, vocational rehabilitation referrals and Enterprize Zone residents, among others.

### Subsidized Employment

DOES



If an employer hires a participant of Project Empowerment for training with the intention of hiring, the District will pay a portion of his/her salary for the trial period.



### Tax Credit for Employment of Unemployed Veterans

DOES



This program is a new federal tax credit program offered as a result of the stimulus package.

### Federal Bonding

DOES



If an employer hires a participant of Project Empowerment, the District will cover the cost of employee bonding up to \$5,000 for a six-month bond.

### Technology Incentive: Wage Tax Credit

OTR



The District offers a credit of 10% of wages paid for the first 24 months of employment, up to \$5,000 per employee.



**Technology Incentive: Relocation Expense Reimbursement**

OTR



Qualified high-tech companies can receive reimbursements for moving expenses, employees' primary residences and for payments to lease or purchase employees' primary residence if it is in the District.

**Technology Incentive: Employment Training Credits**

OTR



Technology companies can receive a credit of up to \$20,000 for each employee to cover the costs of approved training during the first 18 months of employment.

**Technology Incentive: Affordable Facilities**

OTR



The District agrees to defray facility costs of qualified high-tech companies by creating a program to provide funding assistance for security deposits, allow the District to sub-lease office space at reasonable rates for up to 36 months and make certain schools or other DC properties available for lease.

**Technology Incentive: Sales and Use Tax Exemption**

OTR



Qualified high-tech companies are exempt from certain sales taxes.



**Technology Incentive: Franchise Tax Reduction**

OTR



Zero franchise tax on unincorporated business and a five-year elimination of franchise tax on incorporated technology companies are available in High Technology Development Zones. Companies outside of these Zones will receive a reduced tax rate of 6%.

**Technology Incentive: Capital Gains Tax Exemption**

OTR



Exclusion from taxation of certain capital gains from the sale, exchange or rollover of stock, partnership interests and other assets of qualified high-tech companies held for five years.

**High Volume Rainwater Capture and Reuse Demonstration Project**

DDOE



A credit is available for companies who partner with a non-profit or government agency to demonstrate the process of designing, permitting and implementing of rainwater harvest/reuse technologies in the District.

**Renewable Energy Incentive**

DDOE



Individual residents, non-governmental organizations, businesses and private schools are eligible to receive rebates to assist in the installation of a solar photovoltaic or a wind turbine renewable energy system.



### Greenroof Rebate

DDOE



The District provides a subsidy of \$3 per square foot for greenroof construction, available to private, public, residential and commercial properties.

### Greenroof Rebate 2.0

DDOE



Private, public, residential and commercial properties are eligible for rebates that target existing roofs over 5,000 square feet with green component retrofits.

### Low Impact Development (LID) Technologies Feasibility Demonstration Program

DDOE



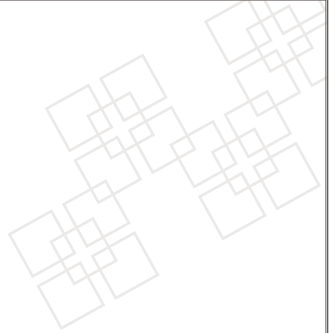
A credit of up to \$100,000 per project is available for companies who partner with a non-profit or government agency to demonstrate the process of designing, permitting and implementing Low Impact Development Technologies in the District.

### District Curb Alternative

DDOE



A credit of \$60,000 per project is available for companies who partner with a non-profit or government agency to demonstrate the process of designing, permitting and implementing of curbside stormwater treatment in the District.



### Expedited Permitting

DDOE/DCRA



The District offers expedited permitting for green development projects beyond legal and regulatory requirements.

### CASE STUDY



The Pew Charitable Trusts opened a co-headquarters in the heart of the District's downtown Penn Quarter neighborhood. Pew bought the 265,000 square foot building in early 2008 by utilizing the District's Industrial Revenue Bond program, which enables qualified non-profits and companies to secure below-market financing for major capital projects. As a part of the financing agreement, Pew will subsidize space for other non-profit organizations to support a "non-profit village" that will serve as an incubator for qualified organizations. Dallas-based breast cancer advocacy group Susan G. Komen for the Cure and the National Wildlife Federation, of Virginia, have both signed on to take space in the incubator project.

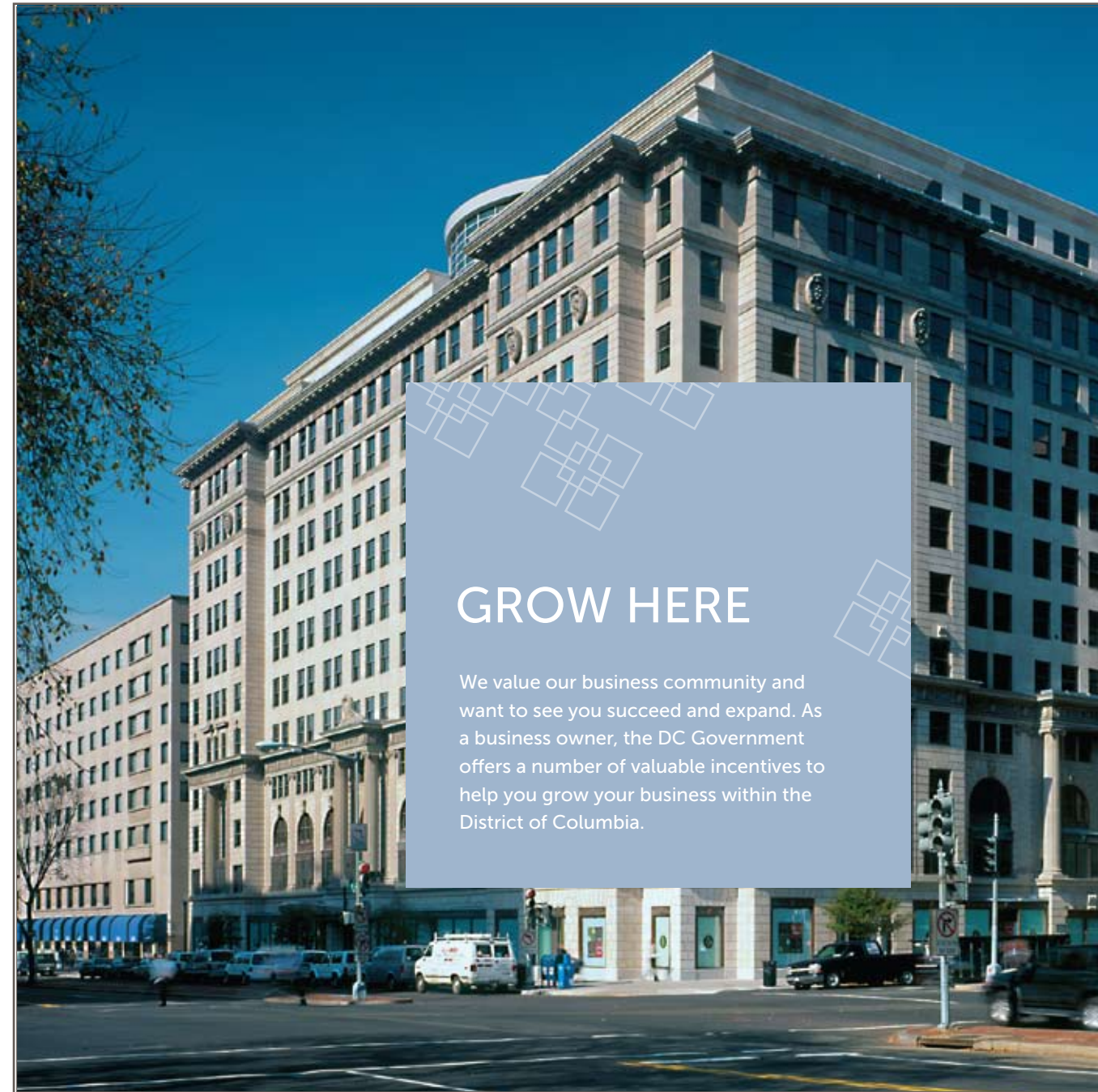




## CASE STUDY



North Carolina-based grocer Harris Teeter opened two stores in 2008. The upscale grocer's first store in the District opened in the vibrant Adams Morgan neighborhood in a former roller rink and the company opened a second location on Capitol Hill. The company is taking advantage of a 10-year tax abatement program aimed at attracting supermarkets in neighborhoods across the city. Harris Teeter plans to open a third store in the NoMa neighborhood, which will anchor the massive Constitution Square mixed-use project next to the New York Avenue Metrorail Station. The District provided a \$6 million tax abatement to help offset the cost of a parking garage to support retail at the site.



## GROW HERE

We value our business community and want to see you succeed and expand. As a business owner, the DC Government offers a number of valuable incentives to help you grow your business within the District of Columbia.



# INCENTIVES

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## Franchise Tax Abatement

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## reSTORE DC Main Streets

DSLBD



Programs and services are implemented that support the revitalization of DC's neighborhood business districts and small businesses through design, promotion and economic restructuring initiatives that improve the competitive advantage of retail, restaurants and professional services.

## reSTORE DC Commercial Development Technical Assistance Program

DSLBD



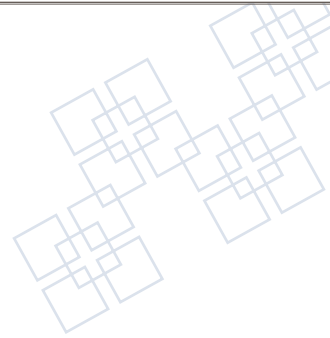
Economic development and commercial revitalization non-profit organizations are offered technical assistance resources to help plan and implement targeted initiatives to strengthen neighborhood businesses and/or the commercial district as a whole.

## reSTORE DC Facade Improvements

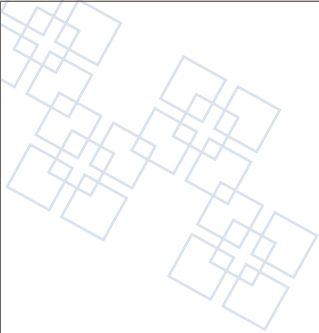
DSLBD



Businesses located in certain target areas may receive funding for facade improvement programs implemented with neighborhood partners to address deferred maintenance, business branding and demarcation, and other storefront upgrades.








**Clean Team Services**  
DSLBD 

Seed funding is used to establish permanent, locally operated and financially sustained clean teams. These services contribute to a safe, clean and predictable environment for customers, residents and businesses in certain business districts.

**Tax Credit for Employment of Unemployed Veterans**  
DOES 

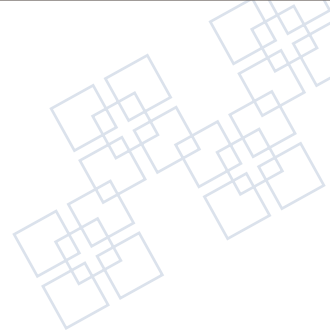
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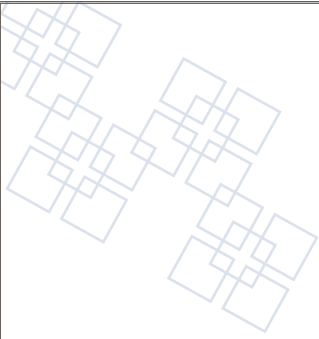
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Wage Tax Credit**

OTR



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**Technology Incentive:  
Sales and Use Tax Exemption**

OTR



Qualified high-tech companies are exempt from certain sales taxes.

**Technology Incentive:  
Real Property Tax Abatement**

OTR



Qualified high-tech companies are eligible for a five-year abatement of increases in property tax rates attributable to renovations to accommodate those companies and for certain newly constructed buildings.

**Renewable Energy Incentive**

DDOE



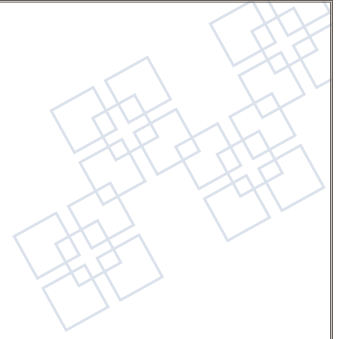
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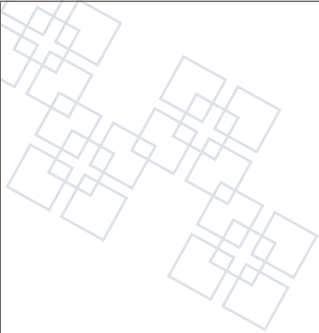
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**Greenroof Rebate 2.0**  
DDOE

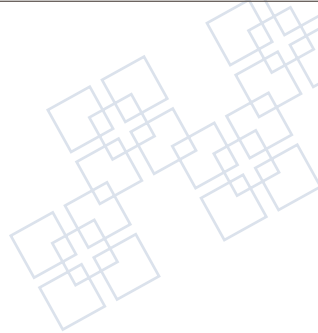


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**Low Impact Development (LID) Technologies Feasibility Demonstration Program**  
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**Expedited Permitting**  
DDOE/DCRA



The District offers expedited permitting for green development projects beyond legal and regulatory requirements.

**CASE STUDIES**



**Broadcaster NPR** turned down a generous incentive package to leave the District for neighboring Silver Spring after the District provided a 20-year tax abatement to relocate its 900-employee headquarters from Downtown DC to the up and coming NoMa neighborhood. The national news organization will build a 525,000 square foot headquarters building, which includes the reuse of a historic warehouse along North Capitol Street. As a part of the incentive package, the District also agreed to freeze the organization's current property taxes at its current New York Avenue headquarters until it sold the property.

## CASE STUDY

### THE URBAN INSTITUTE

The Urban Institute also left its downtown digs for a new headquarters in NoMa with the help of a District tax abatement. The District's incentive allowed the urban policy think tank to remain in the city, while it had been courted by suburban real estate brokers with lower price-per-square foot properties. The Urban Institute will locate more than 350 employees in its headquarters and allow other non-profit organizations to use its ground floor conference facilities.



## APPENDIX

### DMPED

Office of the Deputy Mayor for  
Planning and Economic Development  
John A. Wilson Building  
1350 Pennsylvania Avenue NW  
Suite 317  
Washington, DC 20004  
Email: [dmped.eom@dc.gov](mailto:dmped.eom@dc.gov)  
Website: [dcbiz.dc.gov](http://dcbiz.dc.gov)  
Phone: (202) 727-6365

### DCRA

Department of Consumer & Regulatory Affairs  
941 North Capitol Street NE  
Washington, DC 20002  
Email: [dcra@dc.gov](mailto:dcra@dc.gov)  
Website: [dcra.dc.gov](http://dcra.dc.gov)  
Phone: (202) 442-4400

### DDOE

District Department of the Environment  
51 N Street NE  
Washington, DC 20002  
Email: [ddoe@dc.gov](mailto:ddoe@dc.gov)  
Website: [ddoe.dc.gov](http://ddoe.dc.gov), [green.dc.gov](http://green.dc.gov)  
Phone: (202) 535-2600

### DOES

Department of Employment Services  
64 New York Avenue NE  
Suite 3000  
Washington, DC 20002  
Email: [does@dc.gov](mailto:does@dc.gov)  
Website: [does.dc.gov](http://does.dc.gov)  
Phone: (202) 724-7000

### DSLBD

Department of Small and Local Business Development  
One Judiciary Square  
441 4th Street NW  
Suite 970N  
Washington, DC 20001  
Email: [dslbd@dc.gov](mailto:dslbd@dc.gov)  
Website: [dslbd.dc.gov](http://dslbd.dc.gov)  
Phone: (202) 727-3900

### OTR

Office of Tax and Revenue  
Office of the Chief Financial Officer  
941 North Capitol Street NE  
8th Floor  
Washington, DC 20002  
Email: [otr.ocfo@dc.gov](mailto:otr.ocfo@dc.gov)  
Website: [otr.cfo.dc.gov](http://otr.cfo.dc.gov)  
Phone: (202) 727-4829

### USSBA

U.S. Small Business Administration  
409 3rd Street SW  
Washington, DC 20416  
Email: [answerdesk@sba.gov](mailto:answerdesk@sba.gov)  
Website: [sba.gov/services/financialassistance/loanapplication](http://sba.gov/services/financialassistance/loanapplication)  
Phone: (800) U-ASK-SBA (800) 827-5722