

FINANCIAL EXPOSURE:

Rating the States on Economic Development Transparency

(read here: <https://goodjobsfirst.org/financialexposure>)

APPENDIX: District of Columbia

Transparency scores for major state programs

(* see next page for scoring details)

Program Description	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
Payment in Lieu of Taxes (PILOT) - diversion of tax revenues on previously tax-exempt, government-owned properties to pay back bonds which proceeds were used to finance large development projects.	\$18 million (2020)	none	0/100
Property Tax Abatements and Exemptions - expensive property tax deals written into the tax code and approved for specific companies by the DC Council.	\$70 million (2020)	Source 1 Source 2	39/100
Qualified High Technology Company - controversial program that provides various tax credits and exemption to technology companies; recently scaled down.	\$23 million (2020)	none	0/100
Supermarket Tax Incentives - various tax exemptions available to grocery stores for 10 years in selected city areas; the program has been criticized for poor targeting and lack of impact on areas of the greatest food insecurity.	\$3.8 million (2022)	Source 1 Source 2	21/100
Tax Increment Financing (TIF) - a diversion of sales and property tax revenues to finance bonds to underwrite large development projects.	\$27 million (2020)	none	0/100

Financial Exposure: Rating the States on Economic Development Transparency	Maximum possible score	Payment in Lieu of Taxes (PILOT)	Property Tax Abatements and Exemptions	Qualified High Technology Company	Supermarket Tax Incentives	Tax Increment Financing (TIF)
Scoring Details for District of Columbia Programs						
<i>Score criteria (point values in parentheses)</i>						
PROJECT INFORMATION						
address/coordinates (8); zip code (5); city or county (3)	8	0	8	0	8	0
month + year of agreement/contract/project (1)	1	0	0	0	0	0
nature of project (1)	1	0	0	0	1	0
ADVANCE NOTICE AND PUBLIC PARTICIPATION						
full applications (5); applicant names + amounts (2); applicant names (1)	5	0	5	0	0	0
cost-benefit analysis at least 15 days in advance (3)	3	0	3	0	0	0
meeting: full proposal (4); program + applicant (3); agenda (2); dates (1)	4	0	4	0	0	0
full draft agreements ahead of approval (3); full agreements after (1)	3	0	3	0	0	0
RECIPIENT IDENTITY						
federal employer identification number (1)	1	0	0	0	0	0
industry classification NAICS code (1)	1	0	0	0	0	0
parent company for all awardees (3)	3	0	0	0	0	0
SUBSIDY INFORMATION						
approved/awarded subsidy value (4)	4	0	4	0	0	0
disbursed/claimed subsidy amount (6)	6	0	6	0	6	0
status + penalty actions (10); status only (5)	10	0	0	0	0	0
JOB CREATION REPORTING						
number of projected new/retained jobs/trainees (6)	6	0	0	0	0	0
number of actual new/retained jobs/trainees (14)	14	0	0	0	0	0
WAGES/PAYROLL REPORTING						
projected wage/payroll for new/retained jobs (5)	5	0	0	0	0	0
actual wage/payroll for new/retained jobs (10)	10	0	0	0	0	0
EXPENDITURE/INVESTMENT REPORTING						
projected capital investment/expenditure/cost (1)	1	0	0	0	0	0
actual capital investment/expenditure/cost (4)	4	0	0	0	0	0
DATA ACCESSIBILITY AND USABILITY						
two clicks from program page (3); - 1 for every additional click	3	0	1	0	1	0
unambiguous data and explanations (2)	2	0	2	0	2	0
five years of data placed together (2); on different pages (1)	2	0	2	0	2	0
downloadable to database applications (3); downloadable to PDF (1)	3	0	1	0	1	0
TOTAL PROGRAM SCORE	100	0	39	0	21	0

see next page for scoring notes

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Scoring notes: District of Columbia

Recipients of some DC's subsidies are included in the [Annual Unified Economic Development Budget \(UEDB\) Reports](#) posted on the Chief Financial Officer (CFO) website, and in the [Economic Development Return on Investment Accountability Reports \(ROI\)](#) posted on the Office of the Deputy Mayor for Planning and Economic Development website. For transparent programs, we deducted points in the accessibility category because the reports are difficult to find, search, and use. A user must search multiple UEDB reports to get a picture of when a particular subsidy was approved and what its cumulative amount is. The ROI reports are cumbersome to use, and the 2020 report lists subsidy recipients in a huge PDF table.

Payment in Lieu of Taxes (PILOT)

The program is included in the UEDB but the reports list "bondholders" as subsidy recipients, not benefiting developers. Thus, we deemed this program as not transparent.

Property Tax Abatements and Exemptions

Disclosure link 1: <https://dmped.dc.gov/node/641012>

Disclosure link 2: <https://cfo.dc.gov/page/unified-economic-development-reports>

The program recipients are disclosed in the UEDB reports and in the ROI reports. We assigned points in subsidy awarded because the UEDB reports include a list of "Future Tax Abatements/ Exemptions." We assigned full points in advanced notice category because many, but not all, of the deals must be approved by the City Council in open sessions and the CFO must provide financial analysis of those deals. See additional notes above.

Qualified High Technology Company

There is no online recipient disclosure for this program.

Supermarket Tax Incentives

Disclosure link: <https://cfo.dc.gov/node/230922>

Disclosure link: <https://dmped.dc.gov/node/641012>

The UEDB reports and the ROI reports include recipient names, location, and subsidy received in a report year. In the UEDB reports, recipients are listed under "tax

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abatements" programs. The job table in the ROI reports includes only two recipients – this is incomplete and does not merit points in the job category. The program's deals do not require any analysis from the CFO before deals are approved.

Tax Increment Financing (TIF)

The program is listed in the UEDB reports but the reports list "bondholders" as recipients, not benefiting developers. Thus, we deemed this program as not transparent. The reports list project names and the annual subsidy amounts. The Economic Development Return on Investment Accountability Report lists only one TIF project, which seems incomplete and does not merit points.