

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

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

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: December 8, 2004

SUBJECT: Fiscal Impact Statement: "Transfer of Jurisdiction of a Portion of Lot 808, Square 1171 Approval Resolution of 2004"

REFERENCE: Proposed Resolution Number 15-1149 as Introduced

Conclusion

Implementing the proposed resolution will have no impact on the District's FY 2005 through FY 2008 budget and financial plan. The District is returning back to the United States a portion of property that was originally intended to be used as a section of the Potomac River Freeway Project. The transfer is at no cost to the District and can be characterized as an exchange of interests.

Ultimately, the completion of development of the subject property, along with adjacent property, would result in parking tax revenue to the District. However, this revenue would not be achieved within the timeframe of the current budget and financial plan, nor can an amount be projected without further details from the developer.

Background

The proposed resolution approves the transfer of a portion of Lot 808 in Square 1171 on K Street, N.W. bordered by 29th and 30th Streets, Lot 82 on the southern side (in the direction of the Potomac River), and is adjacent to Rock Creek Park. The proposed transfer is a return of property back to the United States that was originally transferred to the District to be a portion of Interstate 266 to connect to Interstate 66 in Virginia. This project is no longer being pursued by anyone.

The property is improved by a coal and ash house of no historical significance. There are some very old (and possibly unusable) C&O railroad tracks leading into the building.

The building has an 1,800 square foot footprint, is approximately 30 feet tall, and is currently operated by the Government Services Administration as a fuel oil transfer facility for the nearby West Heat Plant that operates as a back-up for the Central Heat Plant.

Lano/Armada Harbourside, LLC (Harbourside), which owns Lot 82, has been engaged by the National Park Service to develop 19 acres (including the property transfer approved by this action) as the Georgetown Waterfront Park. Harbourside will demolish the coal and ash house, remediate any hazardous waste conditions, replace the existing oil transfer facility, construct a parking garage, then create and maintain a park that connects with the Capital Crescent Trail and Rock Creek Park. The nearby development of office space is currently earmarked for use as an embassy by the country of Switzerland.

Financial Plan Impact

Implementing the proposed resolution will have no impact on the District's FY 2005 through FY 2008 budget and financial plan. The District is returning back to the United States a portion of property that was originally intended to be used as a section of the I-266 Potomac River Freeway Project.

The development of this property, along with adjacent property, will result in parking and real property tax revenue. The Chief Financial Officer cannot estimate the amount of revenue to be achieved because this would require details that are currently not available. Note that any tax revenue could not be achieved within the timeframe of the current budget and financial plan.

Currently, the District is legally exposed by the hazardous or waste conditions that are present on the property. The legal responsibility for these public safety conditions are also being transferred through this action.