

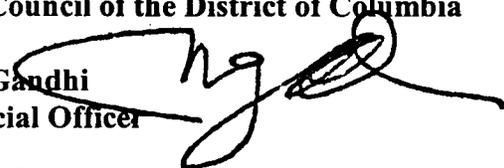
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

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

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: DEC 14 2005

SUBJECT: Fiscal Impact Statement: "DC-USA Economic Development Act of 2005"

REFERENCE: Bill Number 16-514 as Introduced

Conclusion

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan. No additional staff or resources will be required to implement the bill's provisions.

Background

The proposed legislation approves property, sales, and recordation tax abatements for the developer, DC-USA Operating Co. LLC, of up to \$1,029,000. These abatements would occur over the term of construction, which is expected to be completed in 2009.

Financial Plan Impact

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan because no additional resources will be required to implement the provisions of the proposed legislation. The proposed legislation would cost approximately \$1,029,000 in FY 2006 through FY 2009. The Mayor has committed to use existing budget authority to fund the proposed property, sales, and recordation tax reductions. The FY 2000 and 2001 Appropriations Acts¹ authorized up to \$6.5

1. House Resolution 4942, P.L. 106-553; effective December 21, 2000 and House Resolution 2944, P.L. 107-096; effective December 21, 2001.

The Honorable Linda W. Cropp
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Economic Development Act of 2005"
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million in tax concessions for selected businesses. There is over \$4.0 million dollars remaining available for purposes such as the proposed legislation. The Mayor's office has committed to use a portion of these funds to offset all of the revenue reductions caused by implementing the proposed legislation.