

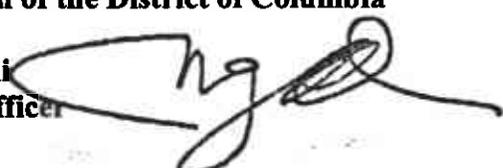
**Government of the District of Columbia  
Office of the Chief Financial Officer**



**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:** AUG - 4 2005

**SUBJECT:** Fiscal Impact Statement: "Disposition of 10.18 Acres of Land in Anne Arundel County, Maryland Act of 2005"

**REFERENCE:** Draft Legislation to be Introduced - No Number Available

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**Conclusion**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia (Council) to implement the proposed legislation. The District will collect \$25,000 for the sale of an option to purchase the subject property described below and conditioned upon enactment of the proposed legislation.

**Background**

By an Act of Congress years ago, the District was given use of over 827 acres in Anne Arundel County, Maryland. The District only uses a fraction of the 827 acres, mainly for the Oak Hill youth facility. The subject property which is described in Liber 80, Folio 185 in the land records of Anne Arundel County, Maryland is Northwest of the Baltimore-Washington Parkway and the Laurel Fort Meade Road Interchange.

A developer, Russett Center Limited Partnership, owns the site adjacent to an isolated 10 acre parcel and wishes to acquire it. The developer has agreed to pay \$25,000 to the District for an option to purchase, with the developer taking responsibility for trying to obtain a Congressional act to transfer title of the 10 acres to the District. It has been agreed that these actions would be performed at no cost to the District. Under the agreement proposed by the developer, the District would keep the \$25,000 even if Congress does not transfer title. If title is transferred and the developer exercises the option, the District would be paid the then current appraised value. The

value assigned to the property the last time it was appraised<sup>1</sup> is \$435,000. The proposed legislation requires that within six months prior to settlement and title transfer, a new appraisal is to be performed and the purchase price would be updated to the new value. Thus, if Congress transfers title to the District, the District will benefit financially.

### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia (Council) to implement the proposed legislation. The District will collect \$25,000 for the sale of an option to purchase the subject property.

The District may also benefit from the sale proceeds of the subject property which is currently \$435,000 based on a May 16, 2002 appraisal. However, the latter amount of money is conditioned on Congressional approval to waive the right to any United States interest in the subject property. If such an action occurs the subject property will be re-appraised and the sales price will be appropriately adjusted. The table in Figure 1 presents the immediate revenue impact to the financial plan if the proposed legislation is enacted.

*Figure 1.*

<b>Impact to the Financial Plan</b>				
<i>(S in 000s)</i>				
<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>4 - Year Total</b>
\$25.0	\$0.0	\$0.0	\$0.0	\$25.0

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<sup>1</sup> May 16, 2002.