

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

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

(Corrected Copy)

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

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: Febnruary 16, 2001

SUBJECT: Fiscal Impact Statement: “Negotiated Sale of City Owned Property at Brentwood Road N.E. to Graimark/Walker Urban Land Development LLC Approval Resolution of 2001”

REFERENCE: Draft Legislation - Bill Number Not Available ([PR 14-079](#))

Conclusion

Provisions of the proposed legislation will result in net revenue of \$2.5 million through the sale of city owned property that has been determined to be surplus. The net revenue assumes disposal costs of \$0.5 million. Funds are sufficient in the FY 2001 through FY 2004 budget and financial plan because no additional staff or resources will be required to implement the components of the proposed legislation.

Background

The proposed legislation conveys the Council’s approval on negotiated sale between the District Government, Graimark/Walker Urban Land Development LLC and WMATA. The purpose of the sales agreement and site development plan is to bring all the parcels of land together for the purpose of constructing a shopping center that would include a KMART, a Giant Food Store and a home improvement store.

Financial Plan Impact

Funds are sufficient in the FY 2001 through FY 2004 budget and financial plan because no additional staff or resources will be required to implement the components of the proposed legislation. The District’s Office of Property Management, the Department of Public Works, the Department of Housing and Community Development, and the

Executive Office of the Mayor have sufficient resources to implement the components of the legislation.

Provisions of the proposed legislation will result in gross revenue of \$3 million through the sale of city owned property that has been determined to be surplus. Portions of parcels in Survey Book 177, numbers 131 and 131/182 on page 367 have been determined to be surplus. The Department of Public Works will resolve issues concerning the movement of some city resources and has determined that any additional costs can be absorbed by the District's current budget and financial plan.

Conditions of the sales agreement provide for the District's costs for the disposal of the property. Costs for the disposal of property will be absorbed by the sales proceeds. The sales agreement caps the disposal costs at \$500,000.

There is no impact associated with provisions of the sales agreement that cause the District to absorb property described as portions of South Avenue. To make the total parcel that is to be developed more attractive, the District is closing a portion of South Avenue and the area that is closed will be combined with the other two parcels of land for development. The Mayor has agreed to the development of this land and the community has given their consent through the ANCs.

There is no impact associated with provisions of the sales agreement that cause the District to purchase and resell property described as property at Rhode Island Avenue Metrostation. Costs to the District for purchase from WMATA and resale to Graimark/Walker will be absorbed through the resale process. The WMATA board has approved of the disposal of the three parcels. The District will act as a pass-through by in-turn selling the land to Graimark/Walker for development.

The proposed legislation is the legal instrument for the conveyance of the approval of the negotiated sale of the property by the Department of Housing and Community Development to Graimark/Walker.