

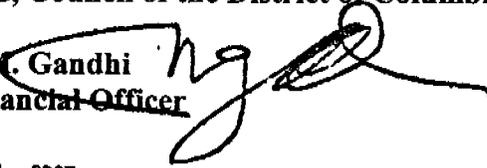
Government of the District of Columbia  
Office of the Chief Financial Officer



Natwar M. Gandhi  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** JUL -9 2007

**SUBJECT:** Fiscal Impact Statement: "Disposition of Lot 854 in Square 441  
Emergency Approval Resolution of 2007"

**REFERENCE:** Draft – Resolution Number Not Available

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**Conclusion**

The resolution would approve a sole-source disposition of Lot 854 in Square 441 to Broadcast Center Partners, LLC. Based on the limited information available regarding the proposed resolution, it would appear that funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the provisions of the proposed resolution. However, the District would experience a decline in net assets of between \$835,000 and \$6,656,000. Because the value of assets is not included in the District's annual budget, this reduction in value of the District's assets does not directly impact the budget and financial plan.

**Background**

The proposed resolution would dispose of Lot 854 in Square 441 to Broadcast Center Partners, LLC. This disposition is based upon a draft term sheet between RLARC and Broadcast Center Partners, LLC. This term sheet has not been signed by either party nor has it been approved by the RLARC Board of Directors. The appraised value of the property, according to the May 11, 2007 appraisal performed by M&B Appraisal Group, is \$6,565,000.

The unsigned draft term sheet states that in exchange for the property, RLARC shall receive a subordinate note in the amount of \$5,730,000. If the subordinate note is repaid, then the value of District assets is reduced by \$835,000; if the subordinate note is not repaid, then the value of District assets is reduced by \$6,656,000.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the proposed resolution. Since the estimates included in this analysis are based on unexecuted drafts, the actual budgetary impact is subject to change.

The proposed resolution will result in a decline in the District's net assets of between \$835,000 and \$6,656,000.