

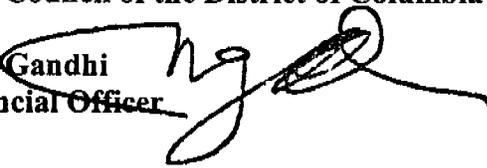
Government of the District of Columbia
Office of the Chief Financial Officer



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 -6 2007

SUBJECT: Fiscal Impact Statement: "Disposition of Lot 27 and Portions of Lot 832 in Square 560 Approval Resolution of 2007"

REFERENCE: Draft - No Resolution Number Available

Conclusion

Funds are sufficient in the FY 2007 budget and the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.

Background

The RLA Revitalization Corporation (RLARC) is requesting Council approval to dispose of certain real property located in Lot 27 and portions of Lot 832 in Square 560. Lot 27 is approximately 15,000 square feet and the portions of Lot 832 are approximately 15,102 square feet. Lot 832 is currently owned by Carmel Plaza North Bush Construction. The transfer of the real property located in Lot 832 would only occur if RLARC came into ownership of the parcel.

In 2004, RLARC obtained Council approval to dispose of Lot 831 in Square 560. Pursuant to a Land Disposition Agreement (LDA) executed on December 21, 2005 between RLARC and MQW, LLC (MQW), RLARC agreed to transfer the real property located in Lot 831, Lot 27 and portions of Lot 832 to MQW. RLARC is now requesting Council approval for the disposition of the remaining two parcels outlined in the LDA.

In exchange for the transfer of the real property located in Lot 831, Lot 27 and portions of Lot 832, MQW has agreed to transfer \$6.3 million to RLARC at closing as well as an additional

20% of the purchase price (or approximately \$1.26 million) over a period of time beginning five years after the closing date.

Financial Plan Impact

Because the proposed resolution involves the transfer of assets, it does not impact the District's budget or financial plan. Funds are sufficient in the FY 2007 budget and the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.