

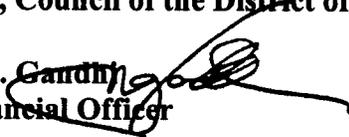
**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**



**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:** FEB - 5 2008

**SUBJECT:** Fiscal Impact Statement (Revised<sup>1</sup>): "Rhode Island Metro Plaza Revenue Bonds Approval Act of 2007"

**REFERENCE:** Bill 17-0461 as Amended

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**Conclusion**

Funds are not sufficient in the FY 2008 through 2011 budget and financial plan to implement the provisions of the proposed legislation. The bill will create a fiscal impact of \$2.0 million over the four-year period because it exempts the developer from paying sales taxes on building materials used in the project's construction.

**Background**

The proposed legislation rescinds the Rhode Island Retail Priority Area Approval Resolution of 2004, creates the Rhode Island Plaza PILOT Area and authorizes a PILOT bond issuance of up to \$7.2 million to subsidize the construction of a mixed use development on what is currently the Rhode Island Metro station parking lot. The proposed legislation also exempts the developer from paying up to \$2 million of sales tax on building materials used in the construction of this project. This tax exemption has a negative fiscal impact of \$2 million in FY2008.

**Financial Plan Impact**

Funds are not sufficient in the FY 2008 through 2011 budget and financial plan to implement the provisions of the proposed resolution.

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<sup>1</sup> Revised assuming the changes proposed by the January 30, 2008 draft amendment are adopted by Council.

<b>Fiscal Impact (\$000)</b>				
<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>4 - Year Total</b>
\$2,000	\$0	\$0	\$0	\$2,000