

**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: May 23, 2008

SUBJECT: Fiscal Impact Statement: "Disposition of District-Owned Real Property in Square 2877 Approval Resolution of 2008"

REFERENCE: Draft – No Bill Number

Conclusion

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed legislation has no net fiscal impact.

Background

The proposed resolution would approve the disposition of three parcels of District-owned real property located in Lots 62, 972, and 977 in Square 2877 (the "District Parcels").

In December 2006, the Council approved Resolution 16-944, "Great Streets Initiative Bond Bread Building Exchange Emergency Approval Resolution of 2006." Resolution 16-944 authorized the Mayor to exchange the real property located in Lot 930 in Square 2877 (the "Bond Bread Parcel") for the real property owned by Howard University as a part of Lot 796 in Square 2873 (the "Howard Parcel"). The part of the lot was not outlined in Resolution 16-944, but was identified as 63,418 square feet. Lot 796 will need a metes and bounds description in order to correctly identify the 63,418 square feet that is part of the Howard Parcel.

In October 2004, the Bond Bread Parcel was appraised at \$8.86 million and the Howard Parcel was appraised at approximately \$9.7 million. In October 2007, the parcels were appraised again. The Bond Bread Parcel was appraised at \$10.1 million and the Howard Parcel was appraised at

\$21.0 million. Due to the difference in the appraised values of the parcels based on the 2007 appraisals, Howard University has requested that the District transfer the District Parcels. In the fall of 2007, these parcels were appraised at \$4.8 million.

The total appraised value of the Bond Bread Parcel and the District Parcels is \$14.9 million, while the appraised value of the Howard Parcel is \$21 million. As a result, the disposition of the District Parcels will not result in a loss of assets to the District.

Financial Plan Impact

The resolution, which authorizes disposition of real property, does not impact the budget and financial plan because the value of assets is not part of the plan.