

**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: October 2, 2008

SUBJECT: Fiscal Impact Statement: "Rhode Island Avenue Metro Plaza Revenue Bonds Approval Amendment Emergency Act of 2008"

REFERENCE: DRAFT – No Bill Number Available

Conclusion

Funds are sufficient in the proposed FY 2009 through 2012 budget and financial plan to implement the proposed legislation.

Background

In its fiscal impact statement on Rhode Island Avenue Metro Plaza Revenue Bonds Approval Act of 2008 (the original legislation), the OCFO identified a \$2 million fiscal impact due to the tax abatement on sales materials during construction. The Mayor has since identified \$1 million from its Commercial Revitalization Tax Abatement Fund that will be used for this abatement, and the Developer has agreed to move forward with the project with a reduced sales tax abatement amount. Therefore, the original legislation no longer has a fiscal impact.

Proposed Amendment

This legislation would amend the original legislation to:

- 1) Require the Office of the Chief Financial Officer to set up separate PILOT funds for each parcel of property, to facilitate the issuance of two PILOT notes funded by two separate lenders;
- 2) Reduce the tax abatement of "up to \$2 million" from the original legislation to "up to \$1 million;" and
- 3) Make additional technical changes to the original legislation to allow the PILOT financing to move forward.

Financial Plan Impact

Funds are sufficient in the proposed FY2009 and FY 2012 budget and financial plan to implement the "Rhode Island Avenue Metro Plaza Revenue Bonds Approval Amendment Emergency Act of 2008." In addition, the fiscal impact identified by the OCFO in its February 5, 2008 fiscal impact statement on the "Rhode Island Avenue Metro Plaza Revenue Bonds Approval Act of 2008" has been addressed and no negative fiscal impact remains.