

**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: NOV 14 2008

SUBJECT: Fiscal Impact Statement: "Strand Theater Disposition Approval Resolution of 2008"

REFERENCE: Draft Resolution – No Bill Number

Conclusion

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

The proposed resolution would approve the disposition of real property currently owned by the District at a rate below its fair market value. When the District disposes of a parcel for less than the fair market value, there is a negative impact on the value of the total assets held by the District. As assets are not included in the District's budget and financial plan, a reduction in the value of District assets would have no direct fiscal impact on the budget and financial plan.

Background

The proposed legislation would approve the disposition of a parcel of land located at 5131 Nannie Helen Burroughs Avenue, N.E., known as the Strand Theater. The development team of the Washington Metropolitan Community Development Corporation, Banneker Ventures, Green Door Advisors and Blue Skye Construction plans to construct an 18,000 square foot restaurant, 18,000 square feet of office space or additional retail space as well as a space dedicated for community and cultural uses. The developer will also execute an agreement with the Mayor

requiring it to contract with Certified Business Enterprises for at least 40% of the contract dollar volume of the project and achieve at least 20% LSDBE participation.

The 2009 assessed value of the parcel is \$422,890. The proposed legislation states that the land will be disposed via a 75-year ground lease with an annual nominal payment of \$1. The District may provide additional financial support to the project, although that additional support is not a part of this legislation.

Financial Plan Impact

Funds are sufficient in the FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed resolution would approve the disposition of real property currently owned by the District at a rate below its fair market value. When the District disposes of a parcel for less than the fair market value, there is a negative impact on the value of the total assets held by the District. However, because assets are not included in the District's budget and financial plan, a reduction in the value of District assets would have no direct fiscal impact on the budget and financial plan.