

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: November 17, 2008

SUBJECT: Fiscal Impact Statement: "3813-3815 and 3825-3829 Georgia Avenue, N.W., Disposition Approval Resolution of 2008"

REFERENCE: Draft – No Bill Number Available

Conclusion

Funds are sufficient in the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed legislation approves a disposition of a District parcel assessed at approximately \$1.5 million. If the District disposes of the parcel for less than the fair market value, there would be a negative impact on the value of the total assets held by the District. 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.

Background

The proposed legislation authorizes the Mayor to dispose of District-owned property at 3813-3815 and 3825-3829 Georgia Avenue, N.W. The property would be sold to real estate developer Donatelli Development.

The property would be sold by the District to the developer at a purchase price based on the net present value of a 99-year lease less any deductions in land value attributed to affordable housing requirements and retail subsidies. The final purchase price is yet to be negotiated. If the District disposes of the parcel for less than the fair market value, there would be a negative impact on the value of the total assets held by the District. Because

assets are not included in the District's Budget and Financial plan, a reduction in the value of District assets has no direct fiscal impact on the Budget and Financial Plan.

The tax assessed value of the property for FY 2009 is \$1,476,690.

Fiscal Impact

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