

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: September 1, 2011

SUBJECT: Fiscal Impact Statement - "Strand Theater Disposition Extension Approval Resolution of 2011"

REFERENCE: Proposed Resolution 19-360, as introduced

Conclusion

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the proposed resolution.

Background

The proposed resolution would extend the time limit for the disposition of District-owned real property, known as Lot 801 in Square 5196, located at 5131 Nannie Helen Burroughs, NE. The disposition of the property was approved by the Council on October 6, 2009.¹ Under current law,² approval of a disposition remains in effect for two years from the effective date of the approved resolution. Approval of the proposed resolution would extend the deadline for the disposition by an additional year to October 6, 2012.

The Mayor intends to ground lease the property for a term of 75 years to the lessee, the Washington Metropolitan Community Development Corporation, which will construct commercial and retail space to be leased at below-market rates. The disposition of this property is not a complete sale, but a long-term lease, which grants possessory interest to the lessee.

The current status of the project and the need for the extended timeline are outlined in the detailed status report that is to be transmitted to the Council per the proposed resolution.

¹ Strand Theater Disposition Approval Resolution of 2009, effective October 6, 2009 (Res. 18-263; 56 DCR 8410).

² D.C. Official Code § 10-801(d).

Fiscal Impact

Funds are sufficient in the FY 2012 through FY 2015 financial plan to implement the proposed resolution. Extending the time limit for the disposition will not have an impact on the District's budget and financial plan.

Once the disposition occurs, the District will experience a loss of real property assets of approximately \$496,170,³ but because the value of assets is not included in the budget and financial plan, this would not result in a fiscal impact.

³ FY 2012 Proposed Tax Assessed Value according to OTR's Real Property Tax Database, accessed August 16, 2011. <https://www.taxpayerservicecenter.com>