

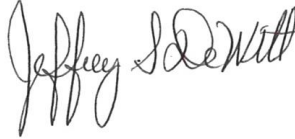
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: January 2, 2018

SUBJECT: Fiscal Impact Statement – Extension of Time to Dispose of 8th & O Streets, N.W., Emergency Amendment Act of 2018

REFERENCE: Draft Bill as shared with the Office of Revenue Analysis on January 2, 2017

Conclusion

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

Background

The bill extends the amount of time the District has to dispose of the property located at 1336 8th Street, N.W.¹ The District will have until February 2, 2020 to dispose of the property to the developer – 1336 8th Street SPE LLC.² The current disposition deadline is February 2, 2018. The developer will purchase the property for \$1 million and build a mixed-use building that includes market-rate housing, affordable housing, and approximately 5,400 square feet of ground-floor retail.

Financial Plan Impact

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. There are no costs associated with extending the disposition period for the property located at 1336 8th Street, N.W.

¹ Located at the corner of 8th Street, N.W. and O Street, N.W. and known for tax assessment purposes as Square 399, Lot 68.

² The development team is a joint venture between Roadside Development, LLC and Dantes Partners, LLC.

The Honorable Phil Mendelson

FIS: "Extension of Time to Dispose of 8th & O Streets, N.W., Emergency Amendment Act of 2018," Draft Bill as shared with the Office of Revenue Analysis on January 2, 2017

The developer is waiting for Zoning Commission Planned Unit Development approvals in order to move forward with the project, and those approvals are expected to occur after the current closing deadline of February 2018. The Deputy Mayor for Planning and Economic Development (DMPED) believes that a two-year extension of the deadline should provide sufficient time for the developer to receive the approvals. When the project closes, the developer will pay the District \$1 million to purchase the property, and these funds will be deposited into DMPED's Economic Development Special Account.³ There is often uncertainty around when an economic development project will close, so these sales proceeds have not yet been included in an official budget. The Mayor will need to initiate a budget action to allow DMPED to spend the proceeds once they are received.

³ National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008, effective March 26, 2008 (D.C. Law 17-138; D.C. Official Code § 2-1225.21).