

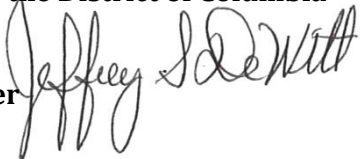
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** September 25, 2018

**SUBJECT:** Fiscal Impact Statement – Extension of Time to Dispose of 8<sup>th</sup> & O Streets, N.W., Amendment Act of 2018

**REFERENCE:** Bill 22-653, Draft Committee Print as shared with the Office of Revenue Analysis on September 20, 2018

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**Conclusion**

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 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 8<sup>th</sup> Street, N.W.<sup>1</sup> The District will have until February 2, 2020 to dispose of the property to the developer – 1336 8<sup>th</sup> Street SPE LLC.<sup>2</sup> The disposition deadline was February 2, 2018, but it is currently extended until December 6, 2018 through emergency and temporary legislation.<sup>3</sup> 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.

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

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

<sup>3</sup> The Extension of Time to Dispose of 8<sup>th</sup> & O Streets, N.W., Emergency and Temporary Acts of 2018, effective January 31, 2018 and April 25, 2018 (65 DCR 1362 and D.C. Law 22-89).

The Honorable Phil Mendelson

FIS: Bill 22-653, "Extension of Time to Dispose of 8<sup>th</sup> & O Streets, N.W., Amendment Act of 2018," Draft Committee Print as shared with the Office of Revenue Analysis on September 20, 2018

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. There are no costs associated with extending the disposition period for the property located at 1336 8<sup>th</sup> Street, N.W.

The developer is waiting for Zoning Commission Planned Unit Development approvals, which it has not yet received, in order to move forward with the project. 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.<sup>4</sup> 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.

The disposition will reduce District capital assets by \$13,000, but assets are not included in the budget and financial plan and their loss is not a fiscal impact.

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<sup>4</sup> 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).