

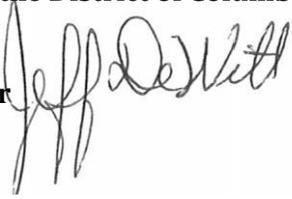
Government of the District of Columbia
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: March 7, 2014

SUBJECT: Fiscal Impact Statement – Southwest Waterfront Land Disposition
Agreement Amendment Approval Resolution of 2014

REFERENCE: PR20-656, as introduced

Conclusion

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the proposed resolution.

The proposed resolution would approve an amendment to the land disposition agreement between the District and Hoffman-Streuver Waterfront LLC (“the developer”), which changes the conditions under which the District will issue TIF/PILOT bonds in support of the Southwest Waterfront project. With this amendment, the District would issue bonds approximately 28 months earlier, requiring interest payments during the construction period. The impact is an additional \$18 million of borrowing which raises the total bonds issued for the project to the \$198 million currently authorized. Because the current financial plan (and related debt cap analysis) incorporates the full authorized TIF borrowing, the fiscal impact of the proposed amendment can be accommodated.

Background

The Southwest Waterfront Bond Financing Act of 2008 (the “2008 Act”) authorized up to \$198 million of District tax increment financing (TIF) and payment-in-lieu-of-taxes (PILOT) bond issuance to support public infrastructure costs within the Southwest Waterfront project (also called “the Wharf”). Such bonds carry the support of incremental revenue from the District’s Downtown TIF area, which is included in the District’s General Fund.

The original agreement authorized by the 2008 Act required the District to issue TIF/PILOT bonds after the private buildings (those that support the bonds with new taxes) were completed. The

The Honorable Phil Mendelson

FIS: "Southwest Waterfront Land Disposition Agreement Amendment Approval Resolution of 2014"

proposed amendment would require the District to issue bonds approximately 28 months earlier in the construction cycle.

Financial Plan Impact

Funds are sufficient to approve the proposed resolution in the FY 2014 to FY2017 budget and financial plan period. However, the District does take on construction risk under the new agreement. If the project is not completed, payment must come from the Downtown TIF reducing its contribution to the General Fund. Otherwise, the project's necessary funding levels are reflected in the District's budget and financial plan.