

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:** December 15, 2014

**SUBJECT:** Fiscal Impact Statement – “District of Columbia Lots 36, 41 and 802 in Square 3942 and Parcels 01430107 and 01430110 Eminent Domain Authorization Emergency Act of 2014”

**REFERENCE:** Bill as introduced by Council Member McDuffie, and subsequently withdrawn, on December 2, 2014

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**Conclusion**

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

If the District condemns the property that is the topic of this bill, the District would have to pay the owner any amount the courts award. The eminent domain proceedings cannot begin without the District identifying the funds and depositing them with the courts. At present, the District could use the amounts budgeted under a related project for transferring DC Water from another location to this property. However, the actual costs cannot be known with certainty and may be higher than what is in the District’s current budget.

**Background**

The bill grants the Mayor authority to exercise eminent domain to acquire the property near 1220 W Street, N.E.;<sup>1</sup> a privately owned and operated trash transfer station currently occupies this property. The District then plans to move to this property certain operations of DC Water, which will vacate 125 O Street, S.E. for a planned mixed-use development.

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<sup>1</sup> Specifically, the bill grants authority to exercise eminent domain on property known for tax and assessment purposes as Lots 36, 41 and 802 in Square 3942 and Parcels 01430107 and 01430110.

The Honorable Phil Mendelson

FIS: Bill 20-790, "District of Columbia Lots 36, 41 and 802 in Square 3942 and Parcels 01430107 and 01430110 Eminent Domain Authorization Emergency Act of 2014," Bill as introduced by Council Member McDuffie, and subsequently withdrawn, on December 2, 2014

### **Financial Plan Impact**

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

Granting the Mayor authority to exercise eminent domain on the property does not have a cost until the Mayor exercises that authority. However, once this authority is granted, the matter does not have to return to Council for approval. If the District takes the property through eminent domain, it will have to compensate the owner as determined by courts.<sup>2</sup> The District has set aside some funding for the DC Water relocation,<sup>3</sup> and can use part of this budget to begin the eminent domain process. However, the Council should note that if the courts' award exceeds the District's available budget for the condemnation, the District would have to pay for these amounts through other resources.

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<sup>2</sup> The current assessed value of the property for FY 2015 is \$4.1 million. (Office of Tax and Revenue's Real Property Tax Database, accessed December 11, 2014. <https://www.taxpayerservicecenter.com>.) However it is not known what compensation will be required by the courts.

<sup>3</sup> Capital Project EB409, "WASA New Facility" in the approved FY 2015-FY 2020 Capital Improvements Plan. The budget amount in this project is approximately \$12 million to pay for all expenses associated with the project. Half of this budget will be spent on relocating some operations of DC Water to Prince George's County. The remainder will then have to pay for all other DC Water relocation expenses.