

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: April 2, 2001

SUBJECT: Fiscal Impact Statement: "Unsolicited Proposal Submitted by GSA/ATF for the Negotiated Purchase of City Owned Property located at the intersection of 1st Street and New York and Florida Avenues, N.E., identified as Square 710, Lots 800 and 801, Resolution of 2001"

REFERENCE: Public Resolution 14-089 as Introduced

Conclusion

Provisions of the proposed legislation will result in net revenue of \$11.5 million through the sale of city owned property that has been determined to be surplus. The net revenue assumes remediation and demolition costs of \$3.5 million. Funds are sufficient in the FY 2001 through FY 2004 budget and financial plan to implement the proposed legislation because no additional staff or resources will be required.

Background

The proposed legislation approves the negotiated sale of the District government-owned property in Square 710, Lots 800 and 801 to the U.S. Government for the construction of the Bureau of Alcohol, Tobacco and Firearms Headquarters Building.

Financial Plan Impact

Funds are sufficient in the FY 2001 through FY 2004 budget and financial plan because no additional staff or resources will be required to implement the components of the proposed legislation. The District's Office of Property Management, the Department of

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FIS: Draft Legislation "Unsolicited Proposal Submitted by GSA/ATF for the Negotiated Purchase of City Owned Property located at the intersection of 1st Street and New York and Florida Avenues, N.E., identified as Square 710, Lots 800 and 801, Resolution of 2001," PR 14-89

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Housing and Community Development, and the Executive Office of the Mayor have sufficient resources to implement the components of the legislation.

The District will receive a sale price of \$15 million for the property. Conditions of the sales agreement require the District government to perform remediation and demolition activities, the costs of which will be absorbed by the sales proceeds. The sales agreement caps the demolition costs at \$3.5 million. Thus, provisions of the proposed legislation will result in gross revenue of \$11.5 million for the District. Both the sale and the remediation activities will be complete in FY 2001. The table below shows the net impact of the proposed legislation on the District's financial plan.

Estimated Net Impact to the Financial Plan (\$ in millions)					
Item	FY 2001	FY 2002	FY 2003	FY 2004	TOTAL
Revenue from Sale of City-Owned Property	\$15.0	0	0	0	\$15.0
Remediation and Demolition Expenses	3.5	0	0	0	3.5
Annual Net Impact	\$11.5	0	0	0	\$11.5

The proposed legislation is the legal instrument for the conveyance of the approval of the negotiated sale of the property by the Department of Housing and Community Development to the U.S. Government.