

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: "New York Avenue Metro Special Assessment Authorization Act of 2001"

REFERENCE: Bill Number 14-147 as Introduced ([A 14-117](#))

Conclusion

The proposed legislation will generate approximately \$5.4 million in net additional revenue for the District's FY 2002 through FY 2004 budget and financial plan. This revenue reimburses the District for the costs associated with financing the private sector portion of the New York Avenue Metro station.

Background

Beginning with real property tax year 2002, the proposed legislation imposes a special assessment on tax lots of at least 10,000 square feet in the vicinity of the planned New York Avenue Metro station. Properties must be commercially zoned and have taxable use on or after January 1, 2001. The purpose of this special assessment is to provide revenue that would pay debt service on \$25 million in general obligation bonds issued by the District to build the new Metro station. In the District's 2001 Appropriations Bill, the Congress mandated that the District create the special taxing district to secure the \$25 million in private sector funding. The current projected cost to build the station is \$84 million, of which \$25 million is to be paid by the private sector.

Financial Plan Impact

The table below shows the annual revenue necessary to offset the cost of issuing the 30-year general obligation bonds at a rate of 6.0 percent. The legislation provides the Chief Financial Officer with authority to adjust the special assessment rate should collections be less than expected.

Net Impact to the Financial Plan					
(\$ in millions)					
	FY 2001	FY 2002	FY 2003	FY 2004	Total
Net Revenue	\$0	\$1.8	\$1.8	\$1.8	\$5.4

The Office of Tax and Revenue (OTR) anticipates that there will be an insignificant increase in expenses associated with administering the special assessment district. The current OTR budget is sufficient to absorb the additional expenses.