

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



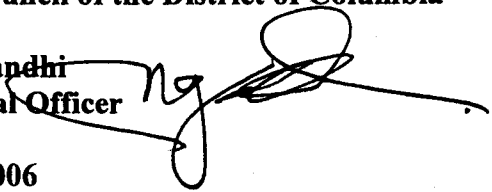
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CHAIRMAN CROPP

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: October 18, 2006

SUBJECT: Fiscal Impact Statement: "Ballpark Separate Development Transfer
Emergency Amendment Act of 2006"

REFERENCE: Draft Legislation – No Bill Number Available (attached)

Conclusion

Funds are **not** sufficient in the budget to implement Ballpark Separate Development Transfer Emergency Amendment Act of 2006. The net fiscal impact of the proposed bill could be over \$80 million, which includes estimated penalties and other costs of late stadium completion if the Sports Commission does not meet its March 1, 2008 deadline to complete the Stadium Facility.

This fiscal impact statement is conditioned on the Office of the Attorney General's (OAG's) determination that the proposed legislation is legally sufficient.

Background

The legislation requires an LDA to be submitted to the Council within 15 days that includes "an ironclad guarantee" of financing for the parking and the entire Separate Development project. Since the sources of repayment are unknown, and the revenues from the garage itself are unlikely to provide sufficient returns to repay debt on the garage, it is not clear how this will be achieved. Because the terms of the LDA have not yet been finalized, we cannot determine whether there will be any additional costs or liabilities to the District. In addition, the legislation does not provide for an alternative method for financing the required parking, if an LDA is not finalized within 15 days.

October 18, 2006

Fiscal Impact Statement: "Ballpark Separate Development Transfer Emergency Amendment Act of 2006"

Financial Plan Impact

Funds are **not** sufficient in the budget and financial plan to implement the proposed legislation. The full extent of the liability cannot be determined until the terms of the LDA are finalized. A one year delay in the completion of the Stadium parking or Team program space could cost the District up to \$80 million.