

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: July 2, 2008

SUBJECT: Fiscal Impact Statement: "Waterside Mall and 4th St. S.W.,
Redevelopment and Reconstruction Act of 2008

REFERENCE: Draft - No Bill Number Available

Conclusion

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed legislation would authorize the Mayor to enter into a contract for construction of Fourth Street, S.W. The contract will be in excess of \$1 million. Thus, upon its negotiation, it will be submitted to the Council for final approval.

Background

The proposed legislation would authorize the Mayor to enter into a contract with Waterfront Associates LLC to provide services for the construction of a portion of Fourth Street, S.W., currently closed and running through the Waterside Mall development project, on such terms and conditions as the Mayor deems necessary or appropriate. The District Department of Transportation's capital budget includes \$10 million for this construction. Upon completion of the construction, the developer will grant the District an easement to ensure the road is open for public access.

Waterfront Associates is building a 2.5 million square foot mixed-use development that will house two District government agencies and serve as an anchor for redevelopment of the Southwest neighborhood surrounding the Waterfront-SEU Metrorail station. Waterside will consist of about 1.2 million square feet of office space and 1.2 million

square feet of residential space. The project will include a new grocery store as a part of 110,000 square feet of neighborhood-serving retail, and the current grocery store will stay open throughout construction. The project will also reconnect Fourth Street, which previously intersected the current location of Waterside Mall.

Financial Plan Impact

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. Because the contract will exceed \$1 million, it will be submitted to the Council for final approval.