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

Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: **The Honorable Kwame R. Brown**
Chairman, Council of the District of Columbia

FROM: **Natwar M. Gandhi**
Chief Financial Officer

DATE: **August 23, 2011**

SUBJECT: **Fiscal Impact Statement – "Minnesota-Benning Phase 2 Redevelopment Disposition Approval Extension Resolution of 2011"**

REFERENCE: **Proposed Resolution 19-361, as introduced**

Conclusion

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the proposed resolution.

Background

The proposed resolution would extend the time limit for the disposition of District-owned real properties, located at Minnesota Avenue and Benning Road, NE.[1] The disposition of these properties was approved by the Council on October 6, 2009.[2] Under current law, approval of a disposition remains in effect for two years from the effective date of the approved resolution.[3] Approval of the proposed resolution would extend the deadline for the disposition from October 6, 2011 to October 6, 2012.

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[1] These properties include the area bounded by Benning Road, NE, to the south, Foote Place, NE, to the north, Kenilworth Avenue, NE, to the west, and Minnesota Avenue, NE, to the east, and comprising of approximately 211,151 square feet of land, known as: Square 5052, Lots 4, 6, 7, 9, 10, 11, 800, 804 and 806; and Parcels 176/19, 176/23, 176/44, 176/60, 176/68, 176/70, 176/72, 176/73, 176/78, 176/83; The alley located in Square 5052, running parallel to Minnesota Avenue, NE, from Benning Road, NE, to a line extended from and parallel to the northeastern boundary of Parcel 176/23; and the air rights over Minnesota Avenue, NE, between Benning Road, NE, and Foote Place, NE.
[2] Minnesota-Benning Phase 2 Redevelopment Disposition Approval Resolution of 2009, effective October 6, 2009 (Res. 18-262; 56 DCR 8407).
[3] D.C. Official Code § 10-801(d).

The Mayor intends to sell the property to DB Residential Partners, LLC, which will develop it as housing and retail space.

The current status of the project and the need for the extended timeline are outlined in the detailed status report that is to be transmitted to the Council per the proposed resolution.

Fiscal Impact

Funds are sufficient in the FY 2012 through FY 2015 financial plan to implement the proposed resolution. Extending the time limit for the disposition will not have an impact on the District's budget and financial plan.

Once the disposition occurs, the District will experience a loss of real property assets, but because the value of assets is not included in the budget and financial plan, this would not result in a fiscal impact. [4]

[4] According to the Fiscal Impact Statement issued on May 15, 2009 for the "Minnesota-Benning Phase 2 Redevelopment Disposition Approval Resolution of 2009," the appraised value of the properties at that time was approximately $13.2 million. Available at: http://app.cfo.dc.gov/services/fiscal_impact/pdf/spring09/Minnesota-Benning-Phase-2-Redevelopment-Disposition-Approval-Resolution-of-2009.pdf .