

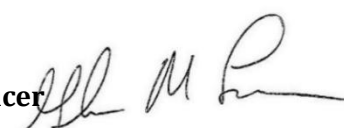
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: September 23, 2025

SUBJECT: Fiscal Impact Statement - Closing of the Northeast Portion of an Alley
in Square 762, S.O. 23-01974, Act of 2025

REFERENCE: Draft Bill as provided to the Office of Revenue Analysis on September
22, 2025

Conclusion

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill.

Background

The bill approves the closure of a portion of the alley located within the block bounded by 2nd Street, S.E., Pennsylvania Avenue, S.E., 3rd Street, S.E., and C Street, S.E. The alley portion considered for closure is located in the northeast corner of the block, behind 229 and 231 Pennsylvania Avenue, S.E.¹ This portion of the alley system is no longer needed for transportation purposes.

An entity, which controls four² of the abutting properties, plans to incorporate the alley space into a larger redevelopment and subdivision. The applicant will rehabilitate historic buildings and combine the four properties into one lot, creating a single building comprising retail, office, and event spaces.

¹ The alley portion to be closed abuts the properties known for assessment and tax purposes as Square 762, Lots 823, 839, 842, 843, and 58.

² The alley closure application includes the properties known for assessment and tax purposes as Square 762, Lots 823, 839, 842, and 843.

The Honorable Phil Mendelson

FIS: "Closing of the Northeast Portion of an Alley in Square 726, S.O. 23-01974, Act of 2025," Draft Bill as provided to the Office of Revenue Analysis on September 22, 2025

Financial Plan Impact

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. There are no costs to the District associated with the alley closure. The alley property will become taxable to the combined property once the closure is approved and the project begins.³ As a condition of the closure, the applicant will pay for the relocation of Verizon infrastructure located within the alley.

³ The entire alley portion to be closed will revert to the property known for assessment and tax purposes as Square 762, Lot 842.