


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:** November 16, 2010

**SUBJECT:** Fiscal Impact Statement – “6925-29 Georgia Avenue Disposition  
Approval Resolution of 2010”

**REFERENCE:** Draft as shared with the OCFO on November 7, 2010 – No Bill  
Number

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**Conclusion**

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the proposed resolution. The proposed disposition of this property would reduce District real property assets by approximately \$675,000.<sup>1</sup> Since assets are not included in the budget and financial plan, the disposition of the property will have no direct fiscal impact on the District’s budget and financial plan.

**Background**

The proposed resolution would authorize the Mayor to sell the District-owned property located at 6925-6929 Georgia Avenue, N.W. legally known as Lots 811 and 812 in Square 2967. The property is approximately 15,000 square feet of vacant, unimproved land. The Mayor intends to sell the property in fee simple to Blue Skye Development, LLC, (“Developer”) a District of Columbia limited liability company.

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<sup>1</sup> A third party appraisal was conducted by an appraiser hired by the Office of the Deputy Mayor for Planning and Economic Development to estimate the Fair Market Value of the property “As Is,” *i.e.* in its present state of condition. The property was appraised at \$675,000. According to OTR’s Real Property Tax Database, the assessed value for tax year 2010 is \$352,670 for Lot 811 and \$239,220 for Lot 812. Source: <https://www.taxpayerservicecenter>.

The property will be redeveloped into a multi-family, mixed-used development that will include a 24-unit residential building<sup>2</sup> (26,994 square feet) and parking (5,320 square feet). All of the residential housing will be affordable to individuals or families with incomes at or below 80 percent of Area Median Income.

Per the draft Land Disposition Agreement, the sales price of the property from the District to the Developer would be one dollar.<sup>3</sup> The current market value of the property is \$675,000 according to a recent appraisal provided by the Office of the Deputy Mayor for Planning and Economic Development.

The Developer is required to enter into an agreement with the Mayor to contract with Certified Business Enterprises (CBEs) for at least 35 percent of the contract dollar volume of the project, and to require at least 20 percent equity and 20 percent development participation of CBEs. Additionally, the Developer is required to enter into a "First Source Agreement" with the District requiring it to hire certain numbers of District residents for new jobs created as a result of construction on the property.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the proposed resolution. The proposed disposition would result in a reduction of District real property assets of approximately \$675,000. This disposition would reduce the value of the total assets held by the District, but because assets are not included in the budget and financial plan, the proposed resolution does not have a direct fiscal impact on the District's budget and financial plan.

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<sup>2</sup> The number of units could be 30 if the project receives a density bonus.

<sup>3</sup> The draft Land Disposition Agreement (LDA) was shared with the OCFO on November 8, 2010. The draft LDA is not final and cannot be finalized until the land disposition is approved by the Council. Therefore the terms of the draft LDA reviewed by the OCFO could change after Council approval.