

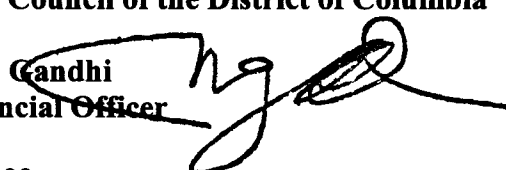
**Government of the District of Columbia
Office of the Chief Financial Officer**



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: May 22, 2009

SUBJECT: Fiscal Impact Statement: "Eastern Avenue Property Disposition
Approval Resolution of 2009"

REFERENCE: Draft Legislation - No Bill Number

Conclusion

Funds are sufficient in the FY 2009 and the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed resolution, based on certain assumptions about the terms of the lease and land disposition agreements, which continue to be negotiated. The proposed disposition of a District property would result in a reduction of District real property assets of approximately \$2,052,870. However, District assets are not included in the budget and financial plan so the disposition would not have a fiscal impact.

Background

The proposed resolution authorizes the Mayor to dispose of District-owned property located at 400 through 414 Eastern Avenue, N.E. and in the 6100 block of Dix Street, N.E., known as Lots 17, 18, 19 and 806 in Square 5260. The Mayor intends to sell the property to Dix Street Corridor Revitalization Partners, LLC for the purpose of redeveloping the property as affordable housing.

According to a draft Term Sheet¹, the developer would purchase the property for a negotiated sale price of \$1. The proposed legislation states that a negotiated sale price will be based on the fair market value of the property, less the value of the public benefits provided by the purchaser,

¹ Draft Term Sheet between the District of Columbia and Dix Street Corridor Revitalization Partners, LLC.

including the affordable housing requirements. An appraisal of the property is expected to be completed soon. The FY 2010 tax assessed value of the property is \$2,052,870².

Square 5260	FY 2010 Tax Assessed Value
Lot 17	\$237,980
Lot 18	\$971,970
Lot 19	\$237,340
Lot 806	\$605,580
TOTAL	\$2,052,870

Fiscal Impact

Funds are sufficient in the FY 2009 budget and proposed FY 2010 through FY 2013 financial plan to implement the proposed resolution. The proposed resolution would approve the disposition of real property currently owned by the District. The FY 2010 assessed value of the property is \$2,052,870.

If the District disposes of the property for less than the fair market value, there would be a negative impact on the value of the total assets held by the District. However, since assets are not included in the budget and financial plan, a reduction in the value of assets would have no direct fiscal impact on the District's budget and financial plan.

² Source: Office of Tax and Revenue's Assessment Database.