

FISCAL IMPACT NOTE

Legislation No: R-3-14

First Reader Date: 1-27-14

Note Date: 2-14-14

Legislation Title: A Committee to Explore the Possibility of Acquiring 110 Compromise Street

Description: For the purpose of expressing the intent of the City of Annapolis to explore the possibility of acquiring the property located at 110 Compromise Street.

Analysis of Fiscal Impact: This legislation produces both a positive and a negative fiscal impact. If the property is acquired, the City's assets will increase by the book value of the property which will produce a positive fiscal impact. The FY 2014 assessed value of 110 Compromise Street is \$3,096,167. Based on the City's current tax rate of \$0.6504, the real property tax revenues will decrease in the amount of \$20,125.09 annually if the City acquires the property. Additionally, all future revenues from prospective businesses located at 110 Compromise Street, such as personal property tax will be lost. The redevelopment of 110 Compromise Street will also produce a negative fiscal impact depending on the demolition costs related to tearing down the current structure, as well as, the capitalization costs related to redeveloping the property.