
National Capital Revitalization Corporation

www.ncrcdc.com

Description	FY 2004 Actual	FY 2005 Approved	FY 2006 Proposed	% Change from FY 2005
Operating Budget	\$0	\$7,849,000	\$52,731,000	571.8

The mission of the National Capital Revitalization Corporation is to revitalize neighborhoods by attracting private sector investment that creates jobs, generates revenue, attracts and retains businesses and empowers citizens.

The National Capital Revitalization Corporation (NCRC) is a publicly chartered corporation charged with spurring the revitalization of underserved and emerging neighborhoods in the District of Columbia through strategic business partnerships and real estate development that attracts and retains businesses, enhances job creation, provides community amenities, and empowers citizens.

The Redevelopment Land Agency Revitalization Corporation (RLARC) is a subsidiary of NCRC charged with the management and disposition of a portfolio of more than 80 parcels of real property located in the District of Columbia.

Together with its affiliates, NCRC is helping to attract up to \$1 billion in private sector investment to District neighborhoods. This investment includes the development of more than 3.4 million square feet of retail and office space, 1,400 new homes and 7,000 jobs.

NCRC plans to fulfill its mission by achieving the following strategic objectives:

Completing the revitalization of Columbia Heights, where 10 parcels of formerly abandoned or vacant land are under construction resulting in the:

- Completing of 600 units of housing including 200 units of affordable housing;
 - Completing 700,000 square feet of retail space including the District's first Target store, a Duron paint store and at least one new grocery store;
 - Constructing 2,100 new parking spaces.
 - Relocation and enlargement of the Dance Institute;
 - Completing a shopping and residential complex at the old Tivoli Theatre, which will include a Giant supermarket;
 - Completing a new headquarters for the Washington Urban League.

Funding by Source

Table NC0-1 shows the source of funding for the National Capital Revitalization Corporation.

Table NC0-1

FY 2006 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
Special Purpose Revenue Fund	0	0	7,849	52,731	44,882	571.8
Total for General Fund	0	0	7,849	52,731	44,882	571.8
Gross Funds	0	0	7,849	52,731	44,882	571.8

Expenditure by Comptroller Source Group

Table NC0-2 shows the FY 2006 proposed budget for the agency at the Comptroller Source Group level (Object class level).

Table NC0 - 2

FY 2006 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Comptroller Source Group	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
11 Regular Pay - Cont Full Time	0	0	2,967	3,346	379	12.8
14 Fringe Benefits - Curr Personnel	0	0	794	734	-60	-7.6
Subtotal Personal Services (PS)	0	0	3,761	4,080	319	8.5
20 Supplies and Materials	0	0	72	77	5	6.9
30 Energy, Comm. and Bldg Rentals	0	0	429	503	74	17.2
40 Other Services and Charges	0	0	1,475	1,505	30	2.0
50 Subsidies and Transfers	0	0	2,112	46,566	44,454	2,104.8
Subtotal Nonpersonal Services (NPS)	0	0	4,088	48,651	44,563	1,090.1
Total Proposed Operating Budget	0	0	7,849	52,731	44,882	571.8

Note: The agency presents its budgeted revenues and expenditures for the purpose of reporting. However, as a proprietary fund, under the current financial accounting structure, the agency's actual revenues and expenditures are not tracked in the District System of Accounting and Reporting (SOAR) and may not appear in this chart or in the Comprehensive Annual Financial Report (CAFR).

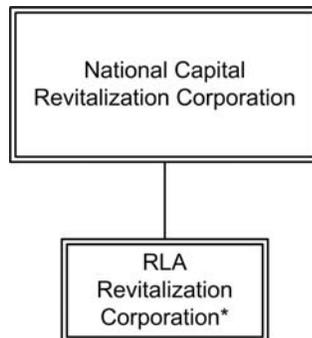
- Creating more than 2,000 new permanent jobs;
- Creating more than \$19 million in additional tax revenue for the District of Columbia.
- Bringing quality retail opportunities to Skyland Shopping Center in Southeast, Ft. Lincoln in Northeast, and Columbia Heights.
- Expanding support for local small businesses, including retail and small business attraction and retention, and access to capital for local businesses.
- Building strong, working partnerships with local and national businesses to attract and retain jobs for District residents.

NCRC/RLARC Neighborhood Investments

Accomplished	Current	Future
Tivoli Square	SWW Transfer	H Street, NE
Urban League	Skyland	Georgia Ave.
Kenyon Square/Victory Heights	14th and Florida Avenue, NW (Parcel 34 JV)	Parcel 23 JV
The Barcelona	Wax Museum	Workforce Housing Initiative
Verona Parc	Mt. Carmel	Housing (Ward 7/8)
Duron Paint	DC USA	Pre-apprenticeship training
The Heights of Columbia	Radio One	Revolving loan funds
Portals & GPO	Town Center	Equity fund
	Highland Park	
	Dance Institute	
	Washington Gateway	
	Fort Lincoln Townhomes	

Figure NC0-1

National Capital Revitalization Corporation



*NCRC assumed the assets and certain liabilities of the RLA Revitalization Corporation.

Gross Fund

The proposed budget is \$52,731,000, representing an increase of approximately \$44,882,000 or 571.8 percent over the FY 2005 approved budget of \$7,849,000. The budget supports no District FTEs, unchanged from the FY 2005 approved level.

General Fund

Special Purpose Revenue Funds. The proposed budget is \$52,731,000, representing an increase of \$44,882,000 over the FY 2005 approved budget of \$7,849,000. This change is primarily attributable to an increase of \$30,230,000 for federal Community Development Block Grant (CDBG) budget authority appropriated to the District's Department of Housing and Community Development and a balance of \$14,224,000 from proceeds from the sale of Redevelopment Land Agency Revitalization Corporation (RLARC) portfolio properties. The budget supports no District FTEs, unchanged from the FY 2005 approved level.

Programs

The National Capital Revitalization Corporation is committed to the following program:

NCRC Operations

	FY 2005	FY 2006
Budget	\$7,849,000	\$52,731,000
FTEs	N/A	N/A

Program Description

The NCRC Operations program primarily supports the Citywide Strategic Priority area of **Promoting Economic Development**. The NCRC is proactively investing in District neighborhoods by catalyzing complex real estate transactions; establishing loan and equity funds; making equity investments; and providing expert technical assistance. These efforts are focused on creating jobs for District residents, business opportunities for local small businesses and housing opportunities for households along the income range. By implementing key initiatives and collaborating with District, business, and community leaders, NCRC is creating new jobs,

vibrant neighborhoods, and business opportunities.

Program Budget Summary

The proposed budget for the NCRC Operations program is \$52,731,000, an increase of \$44,882,000 or 571.8 percent over the FY 2005 approved budget of \$7,849,000. The budget supports no FTEs, unchanged from the FY 2005 approved level.

Significant changes from the FY 2005 approved budget include:

- A total increase of \$44,454,000 for the inclusion of federal Community Development Block Grant funds (\$30,230,000) and the revenue balance from proceeds from the sale of RLARC portfolio properties (\$14,224,000).
- A net increase of \$319,000 for salary and fringe benefit changes.
- An increase of \$109,000 for supplies (\$5,000), utilities, (\$74,000) and other services and charges (\$30,000).

As part of NCRC's enabling legislation, the District's Department of Housing and Community Development (DHCD) is to provide Community Development Block Grant funds to NCRC to retain and expand economic development in the District. The NCRC is an independent instrumentality of the District created to effectuate public purposes but with a legal existence separate from that of the District government. This status prevents DHCD from transferring intra-governmental (intra-District) budget authority to the NCRC. To allow NCRC to use the CDBG funds, CDBG budget authority must be established in both NCRC and DHCD. Appropriate expenditures made by NCRC are reported in its financial systems and reported in the District's System of Accounting and Reporting.

In FY 2006, NCRC will identify new sources of revenue and capital to invest in the District's neighborhoods. New initiatives include:

- **Add land assets to the portfolio.** This includes the transfer of certain parcels in the Southwest Waterfront area to the Anacostia Waterfront Corporation in exchange for other District - owned properties and other financial support.
- **Increase investments in the Northeast and Southeast neighborhoods.** NCRC is investing in the Skyland Shopping Center and evaluating other development opportunities in Southeast Washington. The NCRC has invested in the Walter Washington Center, a new community facility in Ward 8, and is also pursuing the development of housing sites in Southeast.
- **Use real estate assets to leverage long-term financial participation in our future developments.** This model enables NCRC to retain a stake in the District's priority neighborhoods, ensure that the community can participate in the value created, and provide a return on capital to reinvest in neighborhoods.
- **Use proceeds from redevelopment of the RLARC portfolio to create several new investment tools including:**
 - 1) A real estate equity fund focused on building the capacity of local small developers;
 - 2) An affordable and low income housing revolving loan fund; and
 - 3) A micro-enterprise loan fund to provide capital to small local businesses.

NCRC will also identify new business lines, leverage federal grants, build strategic partnerships, and deploy staff and resources to better leverage the organization's expertise.

Agency Goals and Performance Measures

Goal 1: Spur economic development throughout the District, primarily in underserved neighborhoods, through real estate acquisition, management and development, business and financial development, and apprenticeships and job creation, and business develop Citywide Strategic Priority Area(s): Promoting Economic Development; Building Safer Neighborhoods.

Citywide Strategic Priority Area(s): Promoting Economic Development; Building Safer Neighborhoods

Manager(s): Anthony C. Freedman, President and Chief Executive Officer

Supervisor(s): Karen M. Hardwick, Chairman of the Board of Directors

Measure 1.1: The total number of private sector development dollars invested in our neighborhoods (in millions)

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	N/A	17	130	140	N/A
Actual	N/A	N/A	-	-	-

Note: NCRC did not provide FY2004 results or confirmation or revisions to the FY 2005-2007 targets. FY 2005-2007 targets may be updated in the District's FY 2006 Operating Budget and Financial Plan that will be transmitted to Congress in June 2005. (3/8/05).

Measure 1.2: The amount of annual tax revenues generated through NCRC and RLARC initiatives and developments

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	N/A	500,000	5.4	13	N/A
Actual	N/A	N/A	-	-	-

Note: New measure in FY2004. FY2005 and 2006 targets in millions. NCRC did not provide FY2004 results or confirmation or revisions to the FY 2005-2007 targets. FY 2005-2007 targets may be updated in the District's FY 2006 Operating Budget and Financial Plan that will be transmitted to Congress in June 2005. (3/8/05).

Measure 1.3: The number of new jobs and LSDBE opportunities created through NCRC and RLARC initiatives and development

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	N/A	450	1,300	2,350	N/A
Actual	N/A	N/A	-	-	-

Note: NCRC did not provide FY2004 results or confirmation or revisions to the FY2005-2007 targets. FY2005-2007 targets may be updated in the District's FY2006 Operating Budget and Financial Plan that will be transmitted to Congress in June 2005. (3/8/05).

Measure 1.4: The number of new housing units created, with particular emphasis on the balance between market-rate and affordable housing

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	N/A	63	575	N/A	N/A
Actual	N/A	N/A	-	-	-

Note: NCRC did not provide FY2004 results or confirmation or revisions to the FY2005-2007 targets. FY2005-2007 targets may be updated in the District's FY2006 Operating Budget and Financial Plan that will be transmitted to Congress in June 2005. (3/8/05).