

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number HB1261

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Bland

3. Committee Passed Both Houses

4. Title Property conveyance; certain real property to City of Petersburg

5. Summary/Purpose: The bill authorizes the Virginia Employment Commission to convey certain real property located at 10 North Jefferson Street in the City of Petersburg to the City of Petersburg. The bill provides that such conveyance shall be upon terms and conditions deemed proper by the Department of General Services and approved by the Governor. The conveyance shall be made in a form approved by the Attorney General and that the appropriate officials of the Commonwealth are authorized to prepare, execute, and deliver such deed and other documents as may be necessary to accomplish the conveyance. The Virginia Employment Commission no longer uses the property as a local office.

6. Fiscal Impact Estimates are final:

6a. Expenditure Impact: None.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04	-	-	-
2004-05	(150,000)	-	NGF
2005-06	-	-	-
2006-07	-	-	-
2007-08	-	-	-
2008-09	-	-	-
2009-10	-	-	-

7. Budget amendment necessary: No.

8. Fiscal implications: The bill would result in a loss of revenue for the Commonwealth of about \$150,000. The property in question is the location of a former local office for the Virginia Employment Commission. However, due to a construction defect resulting in loss of use of the building the agency relocated its operations to leased space. The costs to remediate the facility to restore operational use is cost prohibitive. Nevertheless, the land itself does have value. Based on an appraisal completed in May 2002, it was determined that the underlying value of the land, less demolition of the building, is much greater than the value of the property with the building. The Virginia Employment Commission, based on the appraisal, estimates that the property could be sold for about \$150,000 and as much as

\$175,000. The fiscal impact assumes the lower end of the estimate and that the building will be sold in fiscal year 2005. If the property were sold as surplus property, the Virginia Employment Commission, as required by law, would use the funding from the sale of the property for improvements and maintenance of their other facilities. In the case of this bill the Virginia Employment Commission would not receive the proceeds from the sale.

9. Specific agency or political subdivisions affected: Virginia Employment Commission.

10. Technical amendment necessary: None.

11. Other comments: None.

Date: 3/23/04 / mst

Document: G:\Ga Sessions\2004 Session\Fis\Hb1261ER.Doc

cc: Secretary of Commerce and Trade