

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: DEC 20 2007

SUBJECT: Fiscal Impact Statement: "Benning-Stoddert Recreation Center
Property Disposition Approval Resolution of 2007"

REFERENCE: Draft Resolution – No Number Assigned

Conclusion

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the provisions of the proposed resolution.¹ The cost of implementing the proposed ground lease can be absorbed with existing agency resources. Implementation of the proposed ground lease may generate recordation tax and possessory interest tax revenues² for the District, but this amount would not be known until the exact dimensions of the leased property are determined.³

Background

The proposed resolution would approve the lease of a portion of the Benning-Stoddert Recreation Center property, which is District-controlled, for a period of greater than twenty years

¹ As stated in the lease, the District received jurisdiction and control of the leased premises pursuant to a federal transfer of jurisdiction to the District, authorized May 20, 1932, requiring the District to use the leased premises for recreational purposes. The District Office of the Attorney General (OAG) has determined that the District may need approval from the U.S. National Park Service before the lease agreement can be finalized.

² This amount would be zero if WTEF applies for and is granted such tax exemptions by the Office of Tax and Revenue (OTR).

³ Per the ground lease agreement, "WTEF shall have ninety (90) days from the Commencement Date to...deliver to the District a legal description for the Leased Premises prepared by a surveyor which provides a metes and bounds description of the dimensions and boundaries of the Leased Premises."

to the Washington Tennis & Education Foundation (WTEF), a non-profit corporation which operates in the District.

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the provisions of the proposed resolution. The cost of implementing the proposed ground lease can be absorbed with existing agency resources. Implementation of the proposed ground lease may generate recordation tax and possessory interest tax revenues for the District, but this amount would not be known until the exact dimensions of the leased property are determined.

Given the federal restrictions on the use of the leased premises (see footnote # 1), the opportunity cost-- or, forgone uses-- to the District of the ground lease agreement is negligible.