

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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** October 27, 2011

**SUBJECT:** Fiscal Impact Statement – “Oak Hill Conservation Easement Emergency Act of 2011”

**REFERENCE:** Bill 19-394 as introduced on July 11, 2011

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**Conclusion**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the proposed legislation.

**Background**

In 1923, the Federal Government acquired eight hundred and twenty seven acres of real property in Maryland<sup>1</sup> for the exclusive use of the District of Columbia. Currently, a portion of the property is used by the District as a home for the New Beginnings Youth Development Center, a youth rehabilitation center maintained by the Department of Youth Rehabilitation Services. The remainder of the property is mostly undeveloped, natural land.

In 2008, the Environmental Protection Agency (EPA) inspected the property, discovered violations of underground storage tank regulations,<sup>2</sup> and proposed fines totaling nearly \$800,000. Although

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<sup>1</sup> Maryland Land Records: Tax Map 20, Grid 15, Parcel 96

<sup>2</sup> Code violations were: Failure to have spill protection as required by COMAR § 26.10.03(.02)(D)(40 C.F.R. § 280.20(c)(1)(i)), Failure to have overfill protection as required by COMAR § 26.10.03(.02)(D)(40 C.F.R. § 280.20(c)(1)(ii)), Failure to have cathodic protection on the USTs as required by COMAR § 26.10.03(.02)(B)(40 C.F.R. § 280.21(b)), Failure to have cathodic protection on the piping as required by COMAR § 26.10.03(.02)(C)(40 C.F.R. § 280.21(c)), Failure to register USTs as required by COMAR § 26.10.03(.03)(B)(40 C.F.R. § 280.22)

the land is owned by the Federal Government, the District, as the tenant, was responsible for the proposed fine. The District negotiated a settlement to avoid potential fines, which required the District to establish a land conservation easement and award it to a qualified non-profit environmental organization by December 30, 2011.<sup>3</sup>

The proposed legislation would allow the District to enter into a quitclaim deed of conservation easement,<sup>4</sup> co-held by Maryland Environmental Trust, Pawtuxet Tidewater Land Trust, and Scenic Rivers Land Trust. These environmental organizations will be responsible for protecting the conservation values<sup>5</sup> of two hundred and fifty acres of the parcel. As part of the easement, the District will maintain management of the federally owned property and the trust groups will access the property to ensure the conditions of the easement are being met.

### **Financial Plan Impact**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the proposed legislation. The proposed legislation does not have any effect on the District's budget and financial plan. The entire 827 acres are still held by the Federal Government for the benefit of the District. Therefore, the Federal Government maintains ownership of the easement parcel, which is valued at \$340,000.

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<sup>3</sup> The original deadline was June 2011, but an extension was granted in June 2011 until December 2011

<sup>4</sup> There will also be a Memorandum of Understanding (MOU) entered into among the District and the three environmental organizations. The MOU will essentially include the same components as the easement.

<sup>5</sup> Including preservation for outdoor recreation by or the education of the general public, protection of the natural habitat for fish, wildlife, and plants, preservation of open space for the public's scenic enjoyment