

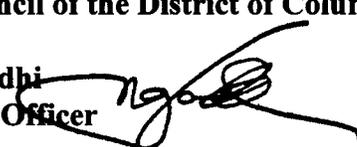
**Government of the District of Columbia  
Office of the Chief Financial Officer**



**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:** June 21, 2010

**SUBJECT:** Fiscal Impact Statement – “Randall School Disposition Restatement Approval Act of 2010”

**REFERENCE:** Draft as shared with the OCFO on June 9, 2010 – No Bill Number Available

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**Conclusion**

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation.

**Background**

The proposed legislation would amend the Randall School Sale Approval Resolution of 2004<sup>1</sup> (“2004 Resolution”) to authorize the Mayor to issue an amended and restated deed and declaration of covenants for the property identified as Square 643-S, Lot 801. The property, commonly known as the Randall School property, is located at 65 I Street, S.W. The 2004 Resolution authorized the District to sell the property to the Corcoran Gallery of Art (Corcoran) for redevelopment as a mixed-use property that would include a museum, art school, and residential development. The property was sold to Corcoran in 2006,<sup>2</sup> and it remains undeveloped. Due to a lack of financial resources, the Corcoran is not able to develop an art school; however, they have identified a developer that would like to construct a museum, hotel, and residential units.

The proposed legislation would amend the 2004 Resolution to authorize the development of additional uses, including a hotel, retail, and commercial uses, and to eliminate the requirement

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<sup>1</sup> Effective December 21, 2004 (Resolution 15-818, 52 DCR 250).

<sup>2</sup> The District received \$6.2 million in 2006 upon closing, as required under Resolution 15-818.

that the property development be completed within 10 years after the sale of the property (*i.e.* 2016).

The proposed legislation would also require that:

- The developers selected for the project to enter into a First Source Employment Agreement<sup>3</sup>;
- Twenty percent of the residential units developed on the property are affordable to households with incomes equal to or less than 80 percent of the Area Median Income;
- The District be entitled to receive 40 percent of the profit realized from the disposition of all or any part of the developed property, as required under the 2004 Resolution;
- The District have the option to re-acquire the property (including improvements, if any) if development of the first phase of the project does not commence by August 18, 2018; and
- The first phase of the development be at least 125,000 square feet and include a museum.

Additionally, the proposed legislation would grant certain access easements over the former Half Street, S.W., located on property Square 644, Lot 813<sup>4</sup>, to the Trustees of the Corcoran (and its successors and assigns) to allow for the construction of a road or access way.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation does not have an impact on the District's budget and financial plan. The District disposed of the Randall School property in 2006 and the proposed amendment would not impact the financial terms of the disposition. Finally, there is no cost associated with the conveyance of certain access easements over the former Half Street, S.W.

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<sup>3</sup> Effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03)

<sup>4</sup> SSL 0644 813 is also known as Reservation 484; The property was conveyed by the National Park Service to the District pursuant to the federal land transfer act.