

**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:** May 15, 2009

**SUBJECT:** Fiscal Impact Statement: "Strand Theater Disposition Approval Resolution of 2009"

**REFERENCE:** Draft Legislation - No Bill Number

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**Conclusion**

Funds are sufficient in the FY 2009 and the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed resolution, based on certain assumptions about the terms of the lease and land disposition agreements, which continue to be negotiated. The proposed disposition of a District property would result in a reduction of District real property assets of approximately \$479,760. However, District assets are not included in the budget and financial plan, and therefore the disposition of this property does not have a fiscal impact.

**Background**

The proposed resolution authorizes the Mayor to dispose of District-owned property located at 5131 Nannie Helen Burroughs Avenue, N.E., known as Lot 801 in Square 5196. The Mayor intends to ground lease the property for a term of 75 years to the lessee, the Washington Metropolitan Community Development Corporation, for the purposes of constructing commercial and/or retail space to be leased at below-market rates. The disposition of this property is not a complete sale, but a long-term lease, which grants possessory interest to the lessee.

According to the resolution, the lease payment for the Strand Theater property will be \$1 per year. The FY 2010 tax assessed value of the property is \$479,760.<sup>1</sup> The lease and land disposition agreements continue to be negotiated between the District and Washington Metropolitan Community Development Corporation.

### **Fiscal Impact**

Funds are sufficient in the FY 2009 budget and FY 2010 through FY 2013 financial plan to implement the proposed resolution. The District will experience a loss of assets of approximately \$479,760, but because the value of assets is not included in the budget and financial plan, the proposed resolution does not have a fiscal impact.

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<sup>1</sup> Property Detail from the District of Columbia Real Property Assessment Database. Available at [https://www.taxpayerservicecenter.com/RP\\_Detail.jsp?ssl=5196%20%20%20%200801](https://www.taxpayerservicecenter.com/RP_Detail.jsp?ssl=5196%20%20%20%200801). Accessed on May 13, 2009.