


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: March 20, 2012

SUBJECT: Fiscal Impact Statement – “Walter Reed Army Medical Center Base Realignment and Closure Homeless Assistance Submission Approval Act of 2012”

REFERENCE: Draft Legislation, shared with the Office of Revenue Analysis on March 7, 2012

Conclusion

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the bill.

Background

In May 2005, the federal government announced plans to downsize the Walter Reed Army Medical Center (WRAMC) and transfer its functions away from its location on Georgia Avenue in Northwest D.C.¹ Subsequently, on August 7, 2009, the federal government declared 67.5 acres of WRAMC as surplus property, thereby making it available to the District for reuse.²

To acquire the site for local use, the Local Redevelopment Authority—in this case, the District of Columbia government—must prepare a plan for reuse and submit it for approval to the District of

¹ These plans were part of the Base Realignment and Closure process delineated in the “Defense Base Closure and Realignment Act of 1990,” as amended (title XXIX of Public Law No. 101-510, 10 U.S.C. § 2687 note), commonly referred to as the “Base Closure Act.”

² In the case of WRAMC, the federal Office of Economic Adjustment, acting on behalf of the U.S. Department of Defense, recognized the District of Columbia government as the Local Redevelopment Authority designated to develop a reuse plan for the property.

The Honorable Kwame R. Brown

FIS: "Walter Reed Army Medical Center Base Realignment and Closure Homeless Assistance Submission Approval Act of 2012," Draft legislation received by the OCFO on March 7, 2012

Columbia Council.³ Approving the bill would represent the Council's formal acceptance of the Reuse Plan for submission to the U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Defense.

Section 2905 of the Base Closure Act requires the District to allow homeless assistance providers and public benefit providers⁴ to express interest in operating on the site, and to subsequently select one or more such organizations for inclusion in the Reuse Plan. To meet this requirement, the District entered into three "Legally Binding Agreements" with homeless assistance providers and signed three "Memoranda of Agreement" with public benefit providers. These agreements must be approved by HUD and are contingent upon the District's gaining control of the WRAMC property from the Department of Defense. Each agreement sets out the terms under which the District would lease a specific building on the WRAMC property at no cost to the provider that is party to the agreement. Approving the proposed bill would represent the Council's formal acceptance of the agreements for submission to HUD and the Department of Defense.

Financial Plan Impact

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the bill.

The bill, if approved, would grant the Mayor the authority to dispose of District property for nominal consideration as outlined in the agreements, should the District gain control of the WRAMC property. However, since assets are not a part of the budget and financial plan, these transfers would not have a fiscal impact. The Office of the Deputy Mayor for Planning and Economic Development has represented to the Office of Revenue Analysis that the District has made no other financial commitments as part of the agreements.⁵

³ The Mayor established the Walter Reed LRA Committee to develop the reuse plan for Council recommendation. The Committee was established by Mayor's Order No. 2006-21.

⁴ Public benefit providers are generally defined as not-for-profit entities that can provide educational, safety, and public health uses for the public benefit on the site.

⁵ Phone conversation with Martine Combal, Walter Reed LRA Director at DMPED, March 16, 2012.