

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: September 27, 2004

SUBJECT: Fiscal Impact Statement: "Randall School Sale Approval Resolution of 2004"

REFERENCE: Approval Resolution to be Introduced

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed sale. The District will receive \$6.2 million in sale proceeds which will be transmitted by law to the District of Columbia Public Schools. Future sale proceeds cannot be estimated at this time.

Background

The proposed resolution approves the disposal of property identified as Square 0643-S, Lot 801, known as the Randall Junior High School building and it has been designated as surplus District property. The building is located at 65 I Street, S.W., in Ward 2. For real property tax purposes the property is valued at approximately \$17.6 million. The District has received unsolicited offers for the purchase of the property. The largest offer is \$13.2 million.

The District intends to sell the property to the Corcoran Museum of Art; a private 501(c)(3) endowed, non-profit organization established in the District in 1869. The District will require the purchaser to develop the property as a mixed-use development that will accommodate residential, museum and art school uses. The District will maintain the right to 40 percent of the proceeds from any subsequent disposition of the property by the purchaser. The District also will retain an option to re-acquire the property if the development project is not completed within ten years.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed legislation. No additional staff or resources will be required to implement the resolution and subsequent sales agreement. Upon consummation of the sale the District will receive \$6.2 million which will be transmitted to the District of Columbia Public Schools.