

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: June 29, 2004

SUBJECT: Fiscal Impact Statement: "Disposition of Nichols Avenue
School Building Approval Resolution of 2004"

REFERENCE: Draft Legislation - No Number Available

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan as approved by the Mayor and the Council of the District of Columbia. No additional staff or resources will be required to implement the provisions of the proposed sale agreement.

Background

The proposed resolution approves the disposal of property identified as a portion of Square 5789, Lot 807 and Square 5860, Lot 1024, known as the Nichols Avenue school building, that has been designated as surplus District property. The building is located at 2427 Martin Luther King Avenue, S.E. in Ward 8. For the purposes of the sales agreement the property is valued at \$910,000. The District intends to sell the property to Thurgood Marshall Academy; a public charter school chartered in the District in August 2001. The District will maintain the right to re-acquire the property should it no longer be used for public charter school purposes.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan because no additional staff or resources will be required. The Mayor has the authority to discount the sale of surplus public school property when the disposal is a sale of the property to a

public charter school. In the case of a sale below \$1 million, the applied discount is 25 percent below the appraisal value. In this case, the value is \$910,000, which will result in a discounted sale price of \$682,500. The District will incur administrative costs for the disposal as well as abatement of environmental conditions and certain site improvements. These after-sale costs will reduce the net proceeds by an equal amount.

Thurgood Marshall Academy has received a \$1 million federal appropriation for the purposes of improving the sit, as well as other grants for maintaining and improving operations.