

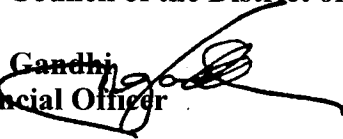
Government of the District of Columbia
Office of the Chief Financial Officer



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 28, 2009

SUBJECT: Fiscal Impact Statement: "Taft School Lease Disposition Approval Resolution of 2009"

REFERENCE: Draft Legislation - No Bill Number

Conclusion

Funds are sufficient in the FY 2009 budget and the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed resolution. The proposed disposition of a District property would result in a reduction of District real property assets of approximately \$10,311,370¹. However, District assets are not included in the budget and financial plan so the disposition of this land would not have a fiscal impact.

Background

The proposed legislation authorizes the Mayor to dispose of District-owned property located at 1800 Perry Street, NE, known as Parcel 0157 0073. The Mayor intends to lease the property to Washington Mathematics Science Technology Public Charter High School and AppleTree Early Learning Public Charter School for a period of 30 years with an additional option of 25 years.

According to the draft Term Sheet², no annual lease payment for the property has been negotiated to date. The assessed value of the property is \$10,311,370. An appraisal of the property has not yet been completed.

¹ FY 2010 Tax Assessed Value according to OTR's Real Property Tax Database, accessed 5/27/2009.
<https://www.taxpayerservicecenter.com>

² Draft Term Sheet describing agreement between the District of Columbia's Office of Property Management and Washington Mathematics Science Technology Public Charter High School and AppleTree Early Learning Public Charter School, dated May 14, 2009.

The disposition of this property is not an outright sale, but a long-term lease, which grants possessory interest to the lessee.

Fiscal Impact

Funds are sufficient in the FY 2009 budget and proposed FY 2010 through FY 2013 financial plan to implement the proposed resolution. The proposed resolution would approve the disposition of real property currently owned by the District. The assessed value of the property is \$10,311,370. If the District disposes of the property for less than the fair market value, there would be a negative impact on the value of the total assets held by the District. However, since assets are not included in the budget and financial plan, a reduction in the value of assets would have no direct fiscal impact on the District's budget and financial plan.