

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



**Natwar M. Gandhi**  
Chief Financial Officer

December 16, 2009

The Honorable Adrian M. Fenty  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW – 6<sup>th</sup> Floor  
Washington, DC 20004

The Honorable Vincent C. Gray  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW – Suite 504  
Washington, DC 20004

Dear Mr. Mayor and Chairman Gray:

This letter certifies, as of December 2009, revenue estimates for the FY 2010 – FY 2014 District of Columbia Budget and Financial Plan. The FY 2010 revenue is now estimated to be \$5,182.1 million, \$17.1 million less than the estimate in September 2009, adjusted for legislative changes. For FY 2011, total non-dedicated Local Fund revenues are estimated to be \$5,078.5 million, which is \$104.0 million less than the estimate that was certified in September, adjusted for legislative changes. Table 1 below compares the current revenue estimate to the previous estimate.

**Table 1: December 2009 revenue estimate compared to previous estimate**

<b>Local Source, General Fund Revenue Estimate</b> (\$ millions)	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Revenue estimate of September 2009</b>	4,879.3	4,920.4	5,075.6	5,288.7	
Impact of policy changes	319.9	262.1	294.5	282.4	
<b>Total local Fund estimate including tax policy changes</b>	<b>5,199.2</b>	<b>5,182.6</b>	<b>5,370.1</b>	<b>5,571.1</b>	
Change from previous estimate	(17.1)	(104.0)	(186.5)	(277.3)	
<b>December 2009 revised estimate</b>	<b>5,182.1</b>	<b>5,078.5</b>	<b>5,183.6</b>	<b>5,293.8</b>	<b>5,390.1</b>
<i>Percent growth over previous year</i>	5.2%	-2.0%	2.1%	2.1%	1.8%

**Overview**

The December revenue estimate uses FY 2009 preliminary collections as the base year for the forecast. A preliminary, unaudited tally of FY 2009 cash collections shows that total tax collections in FY 2009 were 6.5% lower than collections in FY 2008. Double-digit declines in deed taxes (down \$89.4 million or 33%), the non-withholding portion of the individual income

tax (down \$243 million or 69.6%), and corporate income taxes (down \$69.2 million or 23.9%), reflect the impact of the national recession on D. C. revenues. Driven primarily by lower interest income and lower receipts from licenses and permits, non-tax revenue also fell \$101 million (25.8%).

Revenues tied more directly to current incomes and purchases in the DC economy were much less affected. For the year, sales taxes declined \$48.4 million (4.8%), with the Convention Center transfer—a gauge of the performance of the District’s hospitality sector—down just 1.1%. The withholding portion of the individual income tax increased \$17.0 million (1.7%).

This forecast involves a challenge somewhat different from those of the past year. As the national recession deepened, the problem was to try to understand how far things might fall in the areas of the District economy most affected. With many recent indicators pointing to the beginning of a national recovery of uncertain strength, the challenge now is to try to gauge whether the bottom has been reached in the affected sectors of the D.C. economy and how quickly various sectors will rebound.

One sector that is especially important to gauging the District’s revenue performance over the next few years is the real estate sector. There is a two-year lag between current conditions in the real estate market and when the real property tax revenues stemming from those values are realized. Current conditions in the real estate market are therefore a key leading indicator of future real property tax revenues. In the current revenue estimate, real property tax revenue for FY 2011 and beyond has been revised downward substantially to reflect the deterioration in the D.C. real property market over the past year as the credit squeeze spawned by the financial crisis began to impact the District’s commercial real property market. While growth in real property tax revenue was an important offset against falling revenue from other sources in FY 2009, going forward, as other revenues begin to recover, real property will be a drag on the District’s overall revenue performance.

### **National and DC Metropolitan Area Economic Conditions**

The US recession is now the longest since the 1930’s, and the 3.9% decline in real GDP during the recession makes this the deepest as well. After four straight quarters of negative growth, real GDP registered a welcome 2.8% gain in the quarter ending in September. However, this relatively modest increase for the initial quarter of a recovery period suggests the economy still appears to be fragile. Furthermore, growth in the 3<sup>rd</sup> quarter was influenced by the national stimulus program, and the outlook for sustained recovery in the future remains uncertain. In the September quarter, income growth was also weak, wage and salary jobs continued to decline, and unemployment rose.

- U.S. employment (seasonally adjusted) declined by 11,000 from October 2009 to November 2009, the 23<sup>rd</sup> month in a row of negative job growth. The number of wage and salary jobs in the US in November was 7,156,000 (5.2%) lower than at the start of the recession in December 2007.
- The U.S. unemployment rate (seasonally adjusted) fell slightly to 10.0% in November from 10.2% in October. The number of persons working in November was 7,792,000 (5.3%) lower than at the start of the recession in December 2007.

- Wages and salaries earned in the US in the September quarter were 3.6% below those of a year ago, the third quarter in a row with declines of that magnitude from the prior year. US Personal Income in the September quarter was 1.6% lower than a year ago.
- The S & P 500 stock market index in November was up 1.9% from October, continuing a 9-month rally that resulted in a 44% gain, but it was still 25.6% less than a year earlier and 29.3% below its October 2007 peak.
- The DC metro area, which exerts such a strong influence on the District, itself has been one of the best performing metro areas in the country over the past year due to the presence of the federal government (the source of both jobs and contracts). Still, over the past year the region has experienced significant employment declines and rising unemployment.
- In the 3-month period ending October 2009, the region lost 33,500 (1.1%) wage and salary jobs compared to a year earlier. The private sector was down 48,167 (2.0%), offset in part by the federal government increase of 12,067 (3.4%).
- The regional unemployment rate rose to 6.2% in October, up from 4.1% a year earlier. The October unemployment rate in the DC metro area was the lowest among the nation's major metropolitan areas.

### **The District Economy**

D. C. economic indicators present a mixed picture of the District's economy. Some, such as government employment and housing sales, show strength, and others, such as unemployment and commercial real estate, indicate continued weakening. Jobs (and earnings) located in DC are doing better than the nation as a whole, and jobs (and earnings) of DC residents are doing much worse than the US averages.

- In the 3-month period ending October 2009, there were about 500 (0.1%) more wage and salary jobs located in D.C. than a year earlier—not a big change, but one of the few places in the country where jobs went up at all. The federal government gained 7,000 (3.6%) over the past year; the private sector lost 7,700 (1.6%).
- D.C. resident employment in the 3-month period ending in October was 18,405 (6.0%) less than a year earlier. The labor force declined by 5,043 (1.5%).
- D.C.'s unemployment rate in October (11.9%, seasonally adjusted) was 1.7 percentage points above that of the U.S. (10.2%).
- Newly revised data from the US Bureau of Economic Analysis (BEA) show that wages earned in the District of Columbia grew 0.4% in the June quarter. This is a sharp decline from the 5%-plus growth that had been occurring over the past five years, but was higher than the US average decline of 3.6%. In the June quarter, federal wages and salaries were \$1.18 billion (6.3%) higher than a year earlier, while private sector wages were \$1.12 billion (3.4%) less.
- Wage and income growth for DC residents weakened considerably in the first half of CY 2009. In the quarter ending in June, DC Personal Income was 4.0% below a year earlier, and estimated wages of DC residents were 7.4% lower. These declines were considerably greater than the national averages.
- In October, single family housing sales (contracts) continued the recent trend of higher sales and lower prices. Sales for the 3-month period ending in October were up 57.9% from a year ago, and the average selling prices were 18.3% lower. The average price of condominium units that sold in that 3-month period was 9.7% lower than a year earlier,

and sales were 46.5% higher. The value of all home sale contracts for the 3-months ending in September was 65.6% higher than a year ago, and the 3-month moving total has been positive for the last six months.

- In the quarter ending in June, the commercial office vacancy rate rose to 10.2% (including sublet), still well below the metropolitan area average of 12.6%. An additional 5.8 million square feet are expected to be added to inventory over the next two years, outstripping the demand for DC office space.
- For the 3-month period ending in September, the average room-rate for hotels was 8.6% lower than for the same period a year earlier, while the number of hotel room-days sold was up 1.5%. For the 3-month period ending in September, employment in retail was down 6.0%, employment in accommodations was down 6.2%, and employment in restaurants was up 4.1%.

### **Economic Outlook – Timing of recovery uncertain**

Over the past several months, forecasts for the US economy have tended to become slightly more optimistic, with growth rates for real GDP inching upward for FY 2010 and FY 2011. However, recovery from this type of recession, which has involved severe financial market problems, is expected to be slow relative to most post World War II recessions.

- In November, the consensus of 50 economists contributing to the Blue Chip Economic Indicators said that the recession would end in a relatively slow, U-shaped recovery. In the Blue Chip outlook, the previous peak of real GDP is reached only in the last quarter of 2010 (which would be the 6<sup>th</sup> consecutive quarter of growth).
- In the Blue Chip forecast, growth in real GDP in FY 2010 is 1.9%, and nominal growth is 3.0%.
- Because the Washington metropolitan area did not fall as far as the US during the recession, growth rates of employment and income are likely to lag behind those in the rest of the nation if (and when) strong recovery occurs in the national economy.

In a similar vein, forecasts of the District's economy prepared by two national forecasting services have somewhat conflicting views on the outlook for the DC economy. Since June 2009, one raised its expectations for growth in income earned by District residents in FY 2010 and FY 2011, the other lowered them.

In light of the many uncertainties that still exist, this forecast of the economic underpinning of the District's tax base is a restrained one, and it is not too different from the June 2009 economic forecast. This forecast assumes that the weakness in job growth in DC and in incomes generated in DC both reached their low point in FY 2009, with modest gains expected to occur in FY 2010 and FY 2011. The District's recovery from all aspects of the national recession will, however, be an unfolding process. Unemployment will peak in the first quarter of FY 2010 at 12.4%. Weakness in the commercial property sector as reflected in vacancy rates is expected to last at least into FY 2011.

Table 2 shows how the December economic forecast has changed relative to the economic forecast in June. A more detailed list of economic forecast variables is contained in the table attached to this letter.

**Table 2: Comparison of forecasts of economic variables**  
December 2009 compared to June 2009 forecast  
(% change unless noted)

Indicator	FY 2008	FY 2009	FY 2010	Fy2011	FY2012	FY2013
<b>Employment in DC</b>						
level ('000)						
June 2009	702.5	705.5	702.5	710.1	720.2	727.7
December 2009	702.5	707.1	708.4	712.3	720.6	728.2
% change from prior year						
June 2009	1.6	0.4	-0.4	1.1	1.4	1.0
December 2009	1.6	0.6	0.2	0.5	1.2	1.0
<b>DC resident employment</b>						
June 2009	1.0	-4.4	-0.3	2.6	1.8	1.4
December 2009	1.0	-4.3	-2.1	1.8	2.8	2.5
<b>DC unemployment rate (level)</b>						
June 2009	6.4	9.9	10.1	8.8	7.6	6.7
December 2009	6.4	9.8	11.7	10.7	8.9	7.5
<b>Wages earned in DC</b>						
June 2009	4.9	2.3	0.5	2.6	4.2	4.4
December 2009	4.8	1.8	2.5	3.3	4.1	4.4
<b>Wages earned by DC residents</b>						
June 2009	5.0	-0.8	0.5	3.6	4.0	4.3
December 2009	5.2	-3.7	1.5	4.3	5.1	4.9
<b>DC Personal income</b>						
June 2009	5.5	0.8	0.9	3.0	3.8	4.5
December 2009	4.8	-1.6	1.5	3.6	4.2	5.1
<b>S and P 500 stock index</b>						
level (4th Q of CY)						
June 2009	909.8	782.3	901.1	1074.9	1189.9	1275.6
December 2009	909.8	1026.5	1052.2	1167.9	1260.2	1315.6
%						
June 2009	-39.1	-14.0	15.2	19.3	10.7	7.2
December 2009	-39.1	12.8	2.5	11.0	7.9	4.4

Source: ORA June 2009 and December 2009

In brief, the outlook for FY 2010 and FY 2011 includes:

- Employment gains of 1,300 (0.2%) in FY 2010 and 3,900 (0.5%) in FY 2011.
- Unemployment rate of 11.7% in FY 2010 and 10.7% in FY 2011.
- Wages and salaries earned in DC grow 2.5% in FY 2010 and 3.3% in FY 2011.
- Wages and salaries of DC residents grow 1.5% in FY 2010 and 4.3% in FY 2011.
- Personal income growth of 1.5% in FY 2010 and 3.6% in FY 2011.
- After growth by 12.8% from the fourth quarter of 2008 to the fourth quarter of 2009, the Standard and Poor's 500 stock index is forecast to grow 2.5% from the fourth quarter of 2009 to the fourth quarter of 2010 (a time of catch up from recent growth), then increase 11.0% in 2011.

## **Risks and uncertainties**

There are many downside risks and uncertainties to this forecast, including the possibility of a slowing down or reversal of national economic growth, further financial market problems, cut backs in federal spending that affect the federal presence in the District, and national security considerations. These uncertainties include the following:

- Downside risks to the forecast:
  - Federal stimulus: US GDP growth in the 3<sup>rd</sup> Q was less than usual for the first quarter after a recession, and was heavily influenced by the Stimulus plan. When the stimulus winds down, a protracted jobless—and perhaps wage-less—recovery is a distinct possibility, as is slipping in the rate of growth itself. Unemployment could stay at high levels when the stimulus runs out.
  - Decline in federal spending: It is not clear how much the national pattern will affect DC. The high price of the stimulus plan plus the accumulation of debt over the last decade puts tremendous pressure on the federal policy makers to reduce the federal budget in later years.
  - Commercial real estate: Commercial real estate conditions have deteriorated dramatically over the last six months but the District has been touted in the media as an attractive investment for international real estate firms.
  
- However, there are also upside risks:
  - DC Metro area strength: The DC metro region has held up well during the recession and may reduce the duration of the District's high unemployment. Currently, the metro area has a much lower unemployment rate which may signal a quicker recovery which would help District resident employment.
  - Credit markets rebound: Credit conditions have improved but still remain very tight. As credit is freed up, businesses will begin to invest and grow.

Thus, in contrast to the last forecast, not all of the risk is on the down side. When it appears that the national recovery is gaining momentum, the District's economy should gain momentum as well.

If you have any questions regarding this matter, please contact me on (202) 727-0065.

Sincerely,



Natwar M. Gandhi

*Enclosures*

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**Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2006 through FY 2015 (December 16, 2009)**

Fiscal Years	2006 act	2007 act	2008 act	2009 est	2010 est	2011 est	2012 est	2013 est	2014 est	2015 est
Gross State Product (\$ billion)	87.15 6.2%	91.17 4.6%	96.51 5.9%	97.65 1.2%	100.83 3.3%	103.52 2.7%	108.90 5.2%	113.50 4.2%	118.19 4.1%	123.11 4.2%
Real Gross State Product (billions of \$2000)	71.18 2.5%	72.25 1.5%	74.49 3.1%	74.22 -0.4%	75.45 1.7%	76.17 1.0%	78.65 3.3%	80.44 2.3%	82.11 2.1%	270.64 229.6%
Personal Income (\$ billion)	34.41 8.7%	36.99 7.5%	38.79 4.8%	38.17 -1.6%	38.73 1.5%	40.12 3.6%	41.82 4.2%	43.96 5.1%	46.11 4.9%	48.29 4.7%
Real Personal Income (billions of \$2000)	30.20 5.4%	31.76 5.2%	32.08 1.0%	31.50 -1.8%	31.82 1.0%	32.23 1.3%	32.64 1.3%	33.56 2.8%	34.48 2.8%	35.34 2.5%
Per Capita Income (\$)	58,847 8.1%	63,005 7.1%	65,651 4.2%	64,202 -2.2%	64,773 0.9%	66,748 3.0%	69,233 3.7%	72,460 4.7%	75,697 4.5%	78,968 4.3%
Real Per Capita Income (\$2000)	51,654 4.8%	54,085 4.7%	54,290 0.4%	52,974 -2.4%	53,209 0.4%	53,621 0.8%	54,037 0.8%	55,315 2.4%	56,602 2.3%	57,790 2.1%
Wages earned in D.C. (\$ billion)	48.95 5.5%	51.75 5.7%	54.21 4.8%	55.19 1.8%	56.56 2.5%	58.43 3.3%	60.80 4.1%	63.48 4.4%	66.17 4.2%	69.12 4.5%
Wages earned by D.C. residents (\$ billion)	18.2 8.4%	19.5 7.4%	20.6 5.2%	19.8 -3.7%	20.1 1.5%	21.0 4.3%	22.1 5.1%	23.1 4.9%	24.2 4.4%	25.1 4.1%
Population ('000)	584.6 0.6%	587.2 0.4%	590.8 0.6%	594.6 0.6%	597.9 0.6%	601.1 0.5%	604.0 0.5%	606.6 0.4%	609.1 0.4%	611.5 0.4%
Households ('000)	253.8 0.6%	254.5 0.3%	255.1 0.3%	256.3 0.4%	257.4 0.4%	258.5 0.4%	259.7 0.5%	260.9 0.5%	262.1 0.5%	263.2 0.4%
Civilian Labor Force ('000)	319.9 0.7%	325.8 1.8%	332.0 1.9%	329.7 -0.7%	329.0 -0.2%	332.0 0.9%	334.5 0.8%	337.8 1.0%	340.3 0.7%	342.1 0.5%
At-Place Employment ('000)	686.3 0.9%	691.7 0.8%	702.5 1.6%	707.1 0.6%	708.4 0.2%	712.3 0.5%	720.6 1.2%	728.2 1.0%	734.6 0.9%	741.6 0.9%
Resident Employment ('000)	301.1 1.7%	307.8 2.2%	310.7 1.0%	297.5 -4.3%	291.2 -2.1%	296.4 1.8%	304.8 2.8%	312.4 2.5%	316.5 1.3%	319.0 0.8%
Unemployment Rate	5.9	5.5	6.4	9.8	11.7	10.7	8.9	7.5	7.0	6.7
Housing Starts	2,166	1,773	542	616	562	707	885	1,177	1,443	1,635
Housing Stock ('000)	282.4 1.3%	284.0 0.6%	285.1 0.4%	285.5 0.1%	285.9 0.1%	286.6 0.3%	287.6 0.3%	288.7 0.4%	290.0 0.4%	291.3 0.5%
Home sales	10,800 -16.3%	9,800 -9.3%	7,581 -22.6%	7,296 -3.8%	7,989 9.5%	8,871 11.0%	9,364 5.6%	9,547 2.0%	9,621 0.8%	9,621 0.0%
Average home sale price ('000)	574.5 7.6%	612.0 6.5%	612.3 0.0%	569.4 -7.0%	573.2 0.7%	580.0 1.2%	590.0 1.7%	604.9 2.5%	607.4 0.4%	608.9 0.2%
Change in S & P 500 Index of Common Stock*	12.9%	7.5%	-39.1%	12.8%	2.5%	11.0%	7.9%	4.4%	4.8%	4.7%
Interest rate on 10-year Treasury notes (%)	4.8	4.7	3.9	3.2	3.1	3.9	5.7	6.5	6.6	6.6
Washington Area Consumer Prices: % change from prior year	3.9	2.5	5.1	0.6	0.9	2.2	2.2	2.2	2.2	2.7

\* Change in S and P 500 Index of Common Stock is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. (For example, the value in FY 2008 is the % change from CY 2007.4 to CY 2008.4)

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by Global Insight (November 2009) and Economy.com (November 2009); on forecasts of the national economy prepared by the Congressional Budget Office (August 2009) and Blue Chip Economic Indicators (November 2009); on BLS labor market information from October 2008; on the 2000 Census and Census Bureau estimates of the 2008 D.C. population (December 2008); on CY 2008 Census Bureau American Community Survey data for D.C. (September 2009); on Bureau of Economic Analysis estimates of D.C. Personal Income (June 2009); on Metropolitan Regional Information System (MRIS) D.C. home sales data (October 2008), accessed through the Greater Capital Area Association of Realtors (GCAAR); on Delta Associates information on commercial office buildings and residential property in D.C. (September 2009), and on consultation with the D.C. Office of Planning on D.C. the outlook for housing construction.

**FY 2009 - FY 2014 Revenue Actuals, Estimates and Projections: Alternative - December 2009**

*(thousands of dollars)*

Revenue Source	Preliminary	** Estimate **		** Out year projections **		
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Real Property	1,807,144	1,787,926	1,645,377	1,585,176	1,598,697	1,627,140
<i>Transfer to TIF</i>	(29,963)	(19,585)	(28,707)	(31,137)	(34,987)	(50,308)
Real Property (net)	1,777,181	1,768,341	1,616,670	1,554,039	1,563,710	1,576,832
Personal Property	61,414	61,721	61,906	62,445	63,069	64,198
<i>Transfer to Neighborhood Investment Fund</i>	(10,000)	(2,588)	(6,800)	(6,800)	(6,800)	(10,000)
Personal Property (net)	51,414	59,133	55,106	55,645	56,269	54,198
Public Space Rental	27,562	26,873	26,013	26,239	26,502	26,767
<i>Transfer to DDOT</i>	(27,562)	(26,873)	(26,013)	(26,239)	(26,502)	(26,767)
<b>Total Property</b>	<b>1,828,595</b>	<b>1,827,474</b>	<b>1,671,776</b>	<b>1,609,684</b>	<b>1,619,979</b>	<b>1,631,030</b>
General Sales	963,272	1,001,389	1,041,257	1,087,426	1,116,690	1,171,321
<i>Transfer to convention center</i>	(90,446)	(92,902)	(96,888)	(101,062)	(108,217)	(113,548)
<i>Transfer to TIF</i>	(18,130)	(22,101)	(40,283)	(28,024)	(37,579)	(57,942)
<i>Transfer to DDOT capital (parking tax)</i>	(36,567)	(39,608)	(41,296)	(43,064)	(46,095)	(48,353)
<i>Transfer to Ballpark Fund</i>	(8,860)	(9,666)	(10,082)	(10,515)	(11,020)	(11,560)
<i>Transfer to School Modernization Fund</i>	(106,000)	-	-	-	-	-
General Sales (net)	703,269	837,113	852,709	904,761	913,781	939,918
Alcohol	5,262	5,231	5,202	5,175	5,150	5,125
Cigarette	37,620	45,446	44,508	43,647	42,865	42,370
Motor Vehicle	32,108	33,505	39,041	44,270	47,488	49,673
Motor Fuel Tax	22,474	24,850	25,164	25,479	22,193	22,666
<i>Transfer to Highway Trust Fund</i>	(22,474)	(21,350)	(21,564)	(21,779)	(22,193)	(22,666)
<b>Total Sales</b>	<b>778,259</b>	<b>924,795</b>	<b>945,060</b>	<b>1,001,553</b>	<b>1,009,293</b>	<b>1,037,087</b>
Individual Income	1,127,192	1,174,409	1,206,701	1,268,690	1,330,040	1,384,620
Corp. Franchise	220,676	247,599	248,379	280,075	282,836	288,270
U. B. Franchise	121,294	111,423	115,441	121,320	127,839	134,542
<b>Total Income</b>	<b>1,469,162</b>	<b>1,533,431</b>	<b>1,570,521</b>	<b>1,670,084</b>	<b>1,740,715</b>	<b>1,807,432</b>
Public Utility	152,291	151,900	152,116	152,302	152,463	152,602
<i>Transfer to Ballpark Fund</i>	(9,824)	(9,198)	(9,211)	(9,221)	(9,231)	(9,239)
Public Utility (net)	142,467	142,702	142,905	143,080	143,232	143,363
Toll Telecommunications	67,634	67,570	67,606	67,633	67,653	67,667
<i>Transfer to Ballpark Fund</i>	(2,741)	(2,630)	(2,631)	(2,632)	(2,633)	(2,634)
Toll Telecommunications (net)	64,893	64,940	64,975	65,001	65,020	65,033
Insurance Premiums	57,417	71,267	71,267	71,267	71,267	71,267
<i>Transfer to Healthy DC Fund</i>	(8,653)	(13,636)	(17,486)	(17,486)	(17,486)	(17,486)
Insurance Premiums (net)	48,764	57,631	53,781	53,781	53,781	53,781
Healthcare Provider Tax	11,000	11,000	11,000	11,000	11,000	11,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	(11,000)	(10,400)	(11,000)	(11,000)	(11,000)	(11,000)
Ballpark fee	28,887	21,000	21,567	22,688	23,641	24,611
<i>Transfer to Ballpark Fund</i>	(28,887)	(21,000)	(21,567)	(22,688)	(23,641)	(24,611)
<b>Total Gross Receipts</b>	<b>256,124</b>	<b>265,873</b>	<b>261,661</b>	<b>261,862</b>	<b>262,033</b>	<b>262,178</b>
Estate	74,508	60,147	61,470	63,806	66,837	70,165
Deed Recordation	100,762	80,546	83,155	90,664	96,911	102,115
<i>Transfer to HPTF</i>	(15,958)	(12,082)	(12,473)	(13,600)	(14,537)	(15,317)
<i>Transfer to Comp. Housing Strategy Fund</i>	-	-	-	-	-	-
Deed Recordation (net)	84,804	68,464	70,682	77,064	82,374	86,798
Deed Transfer	78,262	63,833	63,230	68,080	71,348	73,659
<i>Transfer to HPTF</i>	(12,286)	(9,170)	(9,485)	(10,212)	(10,702)	(11,049)
<i>Transfer to Comp. Housing Strategy Fund</i>	-	-	-	-	-	-
Deed Transfer (net)	65,976	54,663	53,746	57,868	60,646	62,610
Economic Interests	8,376	5,300	5,400	6,200	6,800	7,460
<b>Total Other Taxes</b>	<b>233,664</b>	<b>188,574</b>	<b>191,297</b>	<b>204,939</b>	<b>216,657</b>	<b>227,033</b>
<b>TOTAL TAXES NET OF DEDICATED TAXES</b>	<b>4,565,804</b>	<b>4,740,148</b>	<b>4,640,316</b>	<b>4,748,122</b>	<b>4,848,668</b>	<b>4,964,760</b>
Licenses & Permits	65,926	60,367	66,103	64,104	67,108	64,109
Fines & Forfeits	101,282	171,990	171,919	169,790	167,910	166,123
Charges for Services	49,200	40,431	43,680	43,480	45,155	43,955
Miscellaneous	72,909	103,415	90,744	92,360	99,164	85,412
<b>TOTAL NON-TAX</b>	<b>289,317</b>	<b>376,203</b>	<b>372,446</b>	<b>369,734</b>	<b>379,337</b>	<b>359,599</b>
Lottery/Interfund Transfer	68,875	65,775	65,775	65,775	65,775	65,775
<b>TOTAL REVENUE NET OF DEDICATED TAXES</b>	<b>4,923,996</b>	<b>5,182,126</b>	<b>5,078,536</b>	<b>5,183,631</b>	<b>5,293,780</b>	<b>5,390,134</b>

FY 2009 - FY 2014 Revenue Actuals, Estimates and Projections: Alternative - December 2009

percent change annual

Revenue Source	Preliminary	** Estimate **		** Out year projections **		
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Real Property	8.0%	-1.1%	-8.0%	-3.7%	0.9%	1.8%
<i>Transfer to TIF</i>	350.3%	-34.6%	46.6%	8.5%	12.4%	43.8%
Real Property (net)	6.7%	-0.5%	-8.6%	-3.9%	0.6%	0.8%
Personal Property	2.9%	0.5%	0.3%	0.9%	1.0%	1.8%
<i>Transfer to Neighborhood Investment Fund</i>	0.0%	-74.1%	162.8%	0.0%	0.0%	47.1%
Personal Property (net)	3.5%	15.0%	-6.8%	1.0%	1.1%	-3.7%
Public Space Rental	-0.5%	-2.5%	-3.2%	0.9%	1.0%	1.0%
<i>Transfer to DDOT</i>	-0.5%	-2.5%	-3.2%	0.9%	1.0%	1.0%
<b>Total Property</b>	<b>6.6%</b>	<b>-0.1%</b>	<b>-8.5%</b>	<b>-3.7%</b>	<b>0.6%</b>	<b>0.7%</b>
General Sales	-5.1%	4.0%	4.0%	4.4%	2.7%	4.9%
<i>Transfer to convention center</i>	-1.1%	2.7%	4.3%	4.3%	7.1%	4.9%
<i>Transfer to TIF</i>	-22.7%	21.9%	82.3%	-30.4%	34.1%	54.2%
<i>Transfer to DDOT capital (parking tax)</i>	-2.3%	8.3%	4.3%	4.3%	7.0%	4.9%
<i>Transfer to Ballpark Fund</i>	-28.3%	9.1%	4.3%	4.3%	4.8%	4.9%
<i>Transfer to School Modernization Fund</i>	6.0%					
General Sales (net)	-6.3%	19.0%	1.9%	6.1%	1.0%	2.9%
Alcohol	1.4%	-0.6%	-0.6%	-0.5%	-0.5%	-0.5%
Cigarette	57.4%	20.8%	-2.1%	-1.9%	-1.8%	-1.2%
Motor Vehicle	-20.0%	4.4%	16.5%	13.4%	7.3%	4.6%
Motor Fuel Tax	-3.1%	10.6%	1.3%	1.3%	-12.9%	2.1%
<i>Transfer to Highway Trust Fund</i>	-3.1%	-5.0%	1.0%	1.0%	1.9%	2.1%
<b>Total Sales</b>	<b>-5.1%</b>	<b>18.8%</b>	<b>2.2%</b>	<b>6.0%</b>	<b>0.8%</b>	<b>2.8%</b>
Individual Income	-16.1%	4.2%	2.7%	5.1%	4.8%	4.1%
Corp. Franchise	-22.9%	12.2%	0.3%	12.8%	1.0%	1.9%
U. B. Franchise	-4.4%	-8.1%	3.6%	5.1%	5.4%	5.2%
<b>Total Income</b>	<b>-16.3%</b>	<b>4.4%</b>	<b>2.4%</b>	<b>6.3%</b>	<b>4.2%</b>	<b>3.8%</b>
Public Utility	-0.8%	-0.3%	0.1%	0.1%	0.1%	0.1%
<i>Transfer to Ballpark Fund</i>	6.5%	-6.4%	0.1%	0.1%	0.1%	0.1%
Public Utility (net)	-1.3%	0.2%	0.1%	0.1%	0.1%	0.1%
Toll Telecommunications	2.9%	-0.1%	0.1%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	7.1%	-4.1%	0.1%	0.0%	0.0%	0.0%
Toll Telecommunications (net)	2.7%	0.1%	0.1%	0.0%	0.0%	0.0%
Insurance Premiums	9.1%	24.1%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Healthy DC Fund</i>	45.1%	57.6%	28.2%	0.0%	0.0%	0.0%
Insurance Premiums (net)	4.5%	18.2%	-6.7%	0.0%	0.0%	0.0%
Healthcare Provider Tax	-20.1%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Nursing Facility Quality of Care Fund</i>	-20.1%	-5.5%	5.8%	0.0%	0.0%	0.0%
Ballpark fee	15.6%	-27.3%	2.7%	5.2%	4.2%	4.1%
<i>Transfer to Ballpark Fund</i>	15.6%	-27.3%	2.7%	5.2%	4.2%	4.1%
<b>Total Gross Receipts</b>	<b>0.8%</b>	<b>3.8%</b>	<b>-1.6%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
Estate	11.4%	-19.3%	2.2%	3.8%	4.8%	5.0%
Deed Recordation	-35.4%	-20.1%	3.2%	9.0%	6.9%	5.4%
<i>Transfer to HPTF</i>	-33.1%	-24.3%	3.2%	9.0%	6.9%	5.4%
<i>Transfer to Comp. Housing Strategy Fund</i>						
Deed Recordation (net)	-28.3%	-19.3%	3.2%	9.0%	6.9%	5.4%
Deed Transfer	-30.4%	-18.4%	-0.9%	7.7%	4.8%	3.2%
<i>Transfer to HPTF</i>	-26.6%	-25.4%	3.4%	7.7%	4.8%	3.2%
<i>Transfer to Comp. Housing Strategy Fund</i>						
Deed Transfer (net)	-23.5%	-17.1%	-1.7%	7.7%	4.8%	3.2%
Economic Interests	-84.7%	-36.7%	1.9%	14.8%	9.7%	9.7%
<b>Total Other Taxes</b>	<b>-28.4%</b>	<b>-19.3%</b>	<b>1.4%</b>	<b>7.1%</b>	<b>5.7%</b>	<b>4.8%</b>
<b>TOTAL TAXES NET OF DEDICATED TAXES</b>	<b>-6.3%</b>	<b>3.8%</b>	<b>-2.1%</b>	<b>2.3%</b>	<b>2.1%</b>	<b>2.4%</b>
Licenses & Permits	-22.4%	-8.4%	9.5%	-3.0%	4.7%	-4.5%
Fines & Forfeits	2.4%	69.8%	0.0%	-1.2%	-1.1%	-1.1%
Charges for Services	13.1%	-17.8%	8.0%	-0.5%	3.9%	-2.7%
Miscellaneous	-54.0%	41.8%	-12.3%	1.8%	7.4%	-13.9%
<b>TOTAL NON-TAX</b>	<b>-25.0%</b>	<b>30.0%</b>	<b>-1.0%</b>	<b>-0.7%</b>	<b>2.6%</b>	<b>-5.2%</b>
Lottery/Interfund Transfer	-2.0%	-4.5%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL REVENUE NET OF DEDICATED TAXES</b>	<b>-7.6%</b>	<b>5.2%</b>	<b>-2.0%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>1.8%</b>