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

Natwar M. Gandhi
Chief Financial Officer

February 24, 2010

The Honorable Adrian M. Fenty
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW – 6th 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 February 2010, revenue estimates for the FY 2010 – FY 2014 District of Columbia Budget and Financial Plan. The FY 2010 revenue is now estimated to be $5,164.4 million, $17.7 million less than the estimate in December 2009. For FY 2011, total non-dedicated Local Fund revenues are estimated to be $5,029.1 million, which is $49.4 million less than the estimate that was certified in December. Table 1 below compares the current revenue estimate to the previous estimate.

Table 1: February 2010 revenue estimate compared to previous estimate

Local Source, General Fund Revenue Estimate ($ millions)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenue estimate of December 2009	**5,182.1**	**5,078.5**	**5,183.6**	**5,293.8**	**5,390.1**
Change from previous estimate	(17.7)	(49.4)	(62.8)	(36.3)	8.2
February 2010 estimate	**5,164.4**	**5,029.1**	**5,120.8**	**5,257.5**	**5,398.3**
Percent growth over previous year	*2.3%*	*-2.6%*	*1.8%*	*2.7%*	*2.7%*

In addition, a legislative correction of the distribution of parking tax revenues is needed to prevent a further reduction of $12.2 million in FY 2010 and $10.2 in FY 2011 and subsequent years. Language in the temporary Budget Support Act (BSA) regarding the distribution of parking tax revenue was not included in the permanent BSA. Under the temporary legislation, the first $12.2 million of parking tax would be reserved in the local fund and was one of the gap closing measures. With the expiration of the temporary BSA there is no legislative language to authorize the transfer; all of the parking tax revenue will be dedicated to the DC Department of Transportation and the Highway Trust Fund, thus lowering local fund revenues.

Overview

Since the December 2009 revenue estimate a number of positive developments have occurred in both the national and District economies: two quarters of growth in US real GDP, additional stock market gains, continued growth in DC housing sales, and gains in federal government employment in DC have offset losses in private sector employment.

With the improving economy, a rebound, though muted because credit markets remain tight, is expected to occur in income and sales taxes. As the rest of the economy recovers and most of the broad-based taxes along with it, property values remain the largest risk to the revenue forecast for a number of reasons: increases in vacancy rates due to new office space deliveries, increases in capitalization rates, and refinancing of commercial mortgages. Some observers have noted that there may be excess supply of apartments available in 2010 followed by excess demand in 2011 because apartment building construction has stopped.

Major Components of the Changes to the Revenue Estimate

Real Property

The revised real property tax estimate incorporates the latest real property tax assessment data that are the basis for revenue in both FY 2010 and FY 2011. Unlike the data used for the December estimate, the latest assessment data (the basis for FY 2010 first half bills about to go out to property owners) include administrative adjustments by the Office of Tax and Revenue (OTR) as well as adjustments for successful appeals at the Board of Real Property Assessment and Appeals (BRPAA).

As noted above, the D.C. real estate market has started to reflect the decline that has been happening nationwide for some time now. In December we anticipated that this decline would impact the FY 2011 revenue, even before OTR had completed its assessments that will be the basis for FY 2011 revenue. The Office of Tax and Revenue has now completed its initial assessments; those assessments reflect a larger decline in the FY 2011 revenue than was anticipated in the December revenue estimate and will lower the FY 2011 estimate for real property tax by $71.3 million.

Individual Income

The individual income tax is revised up from December based on the continued strength in the year-to-date withholding collections and the stronger than expected performance of the stock market in calendar year 2009. In December, wages for DC residents were projected to increase by only 1.5 %; the latest outlook is for growth of 4.2%. Based on the improved economic outlook individual income tax revenue has been revised upwards by $45.2 million in FY 2010 and $50.5 million in FY 2011.

Cigarette Excise Tax

One of the gap-closing measures for the FY 2010 budget was an increase in the excise tax on cigarette from $2.00 to $2.50 per pack. The 50¢ increase in the cigarette tax rate was projected to increase revenue but also reduce volume. Collections year-to-date point to a more severe drop in volumes than projected. Anecdotal evidence suggests that Maryland smokers who were purchasing in DC in FY 2008, because the tax rate in the District was less than the tax rate in Maryland, have shifted purchases back to Maryland now that the tax rate in the District is higher. Virginia analyzed the impact of demand when the federal rate went up by $0.61 in April and has been surprised that demand is much stronger than they had projected – raising the possibility that purchasing in DC has moved across the river. Whatever the actual cause, because of the lower than anticipated collections, the estimate for cigarette tax revenue is revised downwards by $15.4 million in FY 2010 and $15.2 million in FY 2011. Given that cigarette tax rates in neighboring jurisdictions are now lower than that of the District, future increases in the tax rate will likely generate less revenue rather than more.

Traffic Fines

The gap-closing measures for the FY 2010 budget also included several initiatives to increase revenue from traffic fines. The projections were based on an implementation timetable that has been delayed, reducing the projected revenue from these initiatives in FY 2010. The primary change was in the automated traffic enforcement which was supposed to be implemented early in the year but will now likely be delayed until the end of the fiscal year. As a result, revenue from traffic fines has been lowered by $18 million in FY 2010.

National and regional economies

The longest and deepest U.S. recession since the 1930's, seems to have ended. Real GDP has now registered two quarters of positive growth, 2.2% in the 3rd Q and 5.7% in the 4th quarter, but the economy remains fragile. Growth in the 3rd and 4th quarters was strongly influenced by the national stimulus program and by inventory replenishment; the outlook for sustained recovery in the future remains uncertain. Furthermore, in the December quarter, for the U.S., income growth was weak, wage and salary jobs continued to decline, and unemployment rose.

- U.S. employment (seasonally adjusted) declined by 11,000 from November 2009 to December 2009, continuing a 2-year pattern of declining job growth interrupted only by a small 4,000 gain in November 2009. The number of U.S. wage and salary jobs in December was 7,242,000 (5.2%) lower than at the start of the recession in December 2007. The U.S. unemployment rate (seasonally adjusted) remained at 10.0% in December, the same as November.
- Wages and salaries earned in the U.S. in the December quarter were 2.7% below those of a year ago, and personal income was 0.2% lower. The most recent quarters have, however, seen wages and incomes begin to grow. Wages in the December quarter grew 2.2% and personal income 3.9% at seasonally adjusted annual rates compared to the September quarter.
- The S & P 500 stock market index in January was up 1.2% from December, continuing an 11-month rally that has resulted in a 48.5% gain. The market in January was 26.5% higher than a year earlier, but was still 27.9% below its October 2007 peak. As January progressed, however, the value of the market declined, so that the last trading day in January ended 3.7% below the last trading day of December.

The District's economy is strongly influenced by its position as the central city of one of the best performing metropolitan areas in the country. (D.C. accounted for 23.8% of the Washington metropolitan area's wage and salary employment and 10.3% of its resident employment in the December quarter.) During the US recession, the entire region has benefitted greatly from the presence of the federal government that is 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 December 2009, the region lost 20,200 (-0.7%) wage and salary jobs compared to a year earlier. The private sector was down 37,600 (-1.6%), offset in part by the federal government increase of 13,700 (3.9%).
- In the 3-month period ending in December 2009, resident employment in the region was 69,000 below a year earlier, the 14th month in a row in which the 3-month moving average was below that of the prior year. The last significant bout of decline in regional employment was in the early 1990's, when losses also exceeded 60,000.
- The regional unemployment rate rose to 6.2% in December, up from 4.7% a year earlier. The December unemployment rate in the DC area was the lowest among the nation's major metropolitan areas. The December rate was, however, greater than at any time during the early 1990's when the rate did not get higher than 5.5%.

The District's economy

D. C. economic indicators present a mixed picture. Some, such as government employment and housing sales, show strength, and others, such as unemployment and commercial real estate, indicate continued weakening.

- In the 3-month period ending December 2009, there were about 3,500 (0.5%) more wage and salary jobs located in D.C. than a year earlier—one of the few places in the country where jobs went up at all. The federal government gained 7,867 (4.0%) over the past year; the private sector lost 4,500 (-0.9%).
- D.C. resident employment in the 3-month period ending in December was 12,466 (-4.1%) less than a year earlier. The labor force declined by 580 (-0.2%).
- D.C.'s unemployment rate in October (11.9%, not seasonally adjusted) was 2.2 percentage points above that of the U.S. (9.7%).
- Wages earned in the District of Columbia grew 4.1% in the September quarter compared to the same quarter a year ago. This is somewhat less than the 5% to 6% growth that had been occurring from 2002 to 2008, but contrasts sharply with the 3.6% decline in wages nationally in the September quarter. The federal government was the major factor in recent wage growth. In the September quarter, federal wages and salaries were $1.5 billion (8.1%) higher than a year earlier, three times the $0.5 billion (1.4%) increase in D.C.'s private sector wages.
- Wage and income growth for D.C. residents weakened very considerably in CY 2009. In the quarter ending in September, D.C. personal income was down 1.6% from a year earlier, and estimated wages of D.C. residents were 4.0% lower. These percentage declines were greater than for the U.S. as a whole.
- In December, single family housing sales (contracts) continued the recent trend of higher sales and lower prices. Sales for the 3-month period ending in December were up 55.4% from a year ago, and the average selling prices were 9.9% lower. The average price of condominium units that sold in that 3-month period was 5.0% higher than a year earlier, and sales were 55.1% higher. The value of all home sale contracts for the 3-month period

ending in December was 47.1% higher than a year ago, and the 3-month moving total has been positive for 9 months.
- In the quarter ending in December, occupied office space rose by 1.0% from the prior quarter and 0.3% from the prior year. At the same time, because of completed new construction, the commercial office vacancy rate rose to 10.5% (including sublet), still well below the metropolitan area average of 13.0%. An additional 5.0 million square feet are expected to be added to inventory over the next 2 years, outstripping the demand for D.C. office space.
- For the 3-month period ending in November, the average room-rate for hotels was 10.5% lower than for the same period a year earlier, while the number of hotel room-days sold was up 2.6%. Revenues from room sales were down 8.2%.
- For the 3-month period ending in December, employment in retail was down 3.6%, and in accommodations was down 1.1%. Restaurant employment, on the other hand, was up 2.6%.

Economic Outlook

Over the past several months, forecasts for the US economy have become slightly more optimistic, with growth rates for real GDP inching upward, particularly for FY 2010. However, as is to be expected of a recession marked by severe financial market problems, recovery is forecast to be fairly slow.

- In January, the consensus of 50 economists contributing to the Blue Chip Economic Indicators continued to forecast a slow, U-shaped recovery, with the previous peak of Real GDP reached only in the last quarter of 2010 (which would be the 6th consecutive quarter of growth).
- In the January Blue Chip forecast, growth in real GDP in FY 2010 is 2.0%, and nominal growth is 3.2%. For FY 2011, the real and nominal growth rates are expected to rise to 3.1% and 4.6%, respectively.
- Because the Washington metropolitan area economy did not fall as far as the U.S. 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 brief, the outlook for FY 2010 and FY 2011 includes:

- Employment gains of 3,700 (0.5%) in FY 2010 and 4,800 (0.7%) in FY 2011.
- Unemployment rate of 11.6% in FY 2010 and 9.7% in FY 2011.
- Wages and salaries earned in DC grow 3.5% in FY 2010 and 3.4% in FY 2011.
- Wages and salaries of DC residents grow 4.2% in FY 2010 and 4.7% in FY 2011.
- Personal income growth of 3.7% in FY 2010 and 3.9% in FY 2011.
- After growing 19.7% from the fourth quarter of 2008 to the fourth quarter of 2009, the Standard and Poor's 500 stock index is forecast to grow 1.1% from the fourth quarter of 2009 to the fourth quarter of 2010 (a time of catch up from recent growth), then increase 11.7% in 2011.

Table 2: Comparison of forecasts of economic variables

Forecast of selected indicators for FY 2008 through FY 2012:
Proposed February forecast compared with December 2009
(% change unless noted)

Indicator	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Employment in DC					
level ('000)					
December forecast	702.5	707.1	708.4	712.3	720.6
February proposed	702.5	707.4	711.1	715.9	724.3
% change from prior year					
December forecast	1.6	0.6	0.2	0.5	1.2
February proposed	1.6	0.7	0.5	0.7	1.2
DC resident employment					
December forecast	1.0	-4.3	-2.1	1.8	2.8
February proposed	1.0	-4.3	-1.9	2.9	2.1
DC unemployment rate (level)					
December forecast	6.4	9.8	11.7	10.7	8.9
February proposed	6.4	9.8	11.6	9.7	8.5
Wages earned in DC					
December forecast	4.8	1.8	2.5	3.3	4.1
February proposed	4.8	3.4	3.5	3.4	3.8
Wages earned by DC residents					
December forecast	5.2	-3.7	1.5	4.3	5.1
February proposed	5.2	-2.4	4.2	4.7	4.1
DC Personal income					
December forecast	4.8	-1.6	1.5	3.6	4.2
February proposed	4.8	-0.8	3.7	3.9	3.8
S and P 500 stock index					
level (4th Q of CY)					
December forecast	909.8	1026.5	1052.2	1167.9	1260.2
February proposed	909.8	1088.9	1101.0	1229.3	1308.4
% change from prior year					
December forecast	-39.1	12.8	2.5	11.0	7.9
February proposed	-39.1	19.7	1.1	11.7	6.4

Source: ORA

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. Last fall, the bottom of the recession was becoming clear and every indicator now lessens the probability of a double-dip recession. There are still many uncertainties that could unravel the fragile state of the economy. Many of the reported threats—foreclosures, commercial refinancing, decreasing federal expenditure—may have a larger impact on the national economy than locally. The District is in a fortunate position as the center of government and may benefit from investment that would normally go to other parts of the country.

In the current uncertain environment, forecasts of the District's economy prepared by IHS Global Insight and Moody's Economy.com, two national companies that prepare forecasts of both national and local economies, have been cautiously upgrading their forecasts for the DC economy, along with improvements in the national one.

It should be noted that in most respects the forecast of indicators shown in the appendix remains in the pessimistic range of the forecasts from Global Insight and Economy.com. It does not, however, anticipate a worst case double dip recession.

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

Sincerely,

Natwar M. Gandhi

Enclosures

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Deborah K. Nichols, District of Columbia Auditor

Estimated Key Variables for the D.C. Economy for the Forecast Period FY 2006 through FY 2015

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	91.17	96.51	97.81	100.80	103.41	108.61	113.66	118.63	123.80
	6.2%	*4.6%*	*5.9%*	*1.3%*	*3.1%*	*2.6%*	*5.0%*	*4.6%*	*4.4%*	*4.4%*
Real Gross State Product (billions of $2000)	71.18	72.25	74.49	74.50	75.72	76.21	78.22	79.69	81.05	82.53
	2.5%	*1.5%*	*3.1%*	*0.0%*	*1.6%*	*0.7%*	*2.6%*	*1.9%*	*1.7%*	*1.8%*
Personal Income ($ billion)	34.41	36.99	38.79	38.49	39.92	41.46	43.05	45.31	47.69	50.00
	8.7%	*7.5%*	*4.8%*	*-0.8%*	*3.7%*	*3.9%*	*3.8%*	*5.3%*	*5.2%*	*4.8%*
Real Personal Income (billions of $2000)	30.20	31.76	32.08	31.73	32.33	32.77	33.18	34.13	35.15	36.04
	5.4%	*5.2%*	*1.0%*	*-1.1%*	*1.9%*	*1.4%*	*1.3%*	*2.9%*	*3.0%*	*2.5%*
Per Capita Income ($)	58,856	63,005	65,850	64,448	66,008	67,878	70,280	73,782	77,432	80,778
	8.1%	*7.1%*	*4.5%*	*-2.1%*	*2.4%*	*2.8%*	*3.5%*	*5.0%*	*4.9%*	*4.3%*
Real Per Capita Income ($2000)	51,662	54,085	54,454	53,128	53,550	53,923	54,318	55,629	57,071	58,274
	4.8%	*4.7%*	*0.7%*	*-2.4%*	*0.8%*	*0.7%*	*0.7%*	*2.4%*	*2.6%*	*2.1%*
Wages earned in D.C. ($ billion)	48.95	51.75	54.21	56.06	58.04	60.00	62.26	65.16	68.08	71.18
	5.5%	*5.7%*	*4.8%*	*3.4%*	*3.5%*	*3.4%*	*3.8%*	*4.7%*	*4.5%*	*4.6%*
Wages earned by D.C. residents ($ billion	18.2	19.5	20.6	20.1	20.9	21.9	22.8	24.0	25.0	26.1
	8.4%	*7.4%*	*5.2%*	*-2.4%*	*4.2%*	*4.7%*	*4.1%*	*5.0%*	*4.4%*	*4.4%*
Population ('000)	584.5	587.2	589.0	597.2	603.7	607.7	610.9	613.6	616.0	618.4
	0.5%	*0.4%*	*0.3%*	*1.4%*	*1.1%*	*0.7%*	*0.5%*	*0.4%*	*0.4%*	*0.4%*
Households ('000)	253.3	254.0	254.2	255.9	257.7	259.1	260.3	261.5	262.6	263.7
	0.4%	*0.3%*	*0.1%*	*0.7%*	*0.7%*	*0.5%*	*0.5%*	*0.4%*	*0.4%*	*0.4%*
Civilian Labor Force ('000)	319.9	325.8	332.0	329.7	330.1	332.6	335.2	338.5	340.9	342.7
	0.7%	*1.8%*	*1.9%*	*-0.7%*	*0.1%*	*0.8%*	*0.8%*	*1.0%*	*0.7%*	*0.5%*
At-Place Employment ('000)	686.3	691.7	702.5	707.4	711.1	715.9	724.3	733.2	740.5	747.7
	0.9%	*0.8%*	*1.6%*	*0.7%*	*0.5%*	*0.7%*	*1.2%*	*1.2%*	*1.0%*	*1.0%*
Resident Employment ('000)	301.1	307.8	310.7	297.5	291.8	300.4	306.7	312.8	316.1	319.4
	1.7%	*2.2%*	*1.0%*	*-4.3%*	*-1.9%*	*2.9%*	*2.1%*	*2.0%*	*1.1%*	*1.0%*
Unemployment Rate	5.9	5.5	6.4	9.8	11.6	9.7	8.5	7.6	7.3	6.8
Housing Starts	2,166	1,773	542	333	718	756	895	1,127	1,370	1,469
Housing Stock ('000)	282.4	284.0	285.1	285.5	285.9	286.6	287.6	288.7	290.0	291.3
	1.3%	*0.6%*	*0.4%*	*0.1%*	*0.1%*	*0.3%*	*0.3%*	*0.4%*	*0.4%*	*0.5%*
Home sales	10,800	9,800	7,500	7,400	8,699	8,576	10,025	10,717	10,913	10,977
	-16.3%	*-9.3%*	*-23.5%*	*-1.3%*	*17.6%*	*-1.4%*	*16.9%*	*6.9%*	*1.8%*	*0.6%*
Average home sale price ('000)	572.2	608.1	591.4	568.3	578.5	583.1	606.9	647.4	678.8	720.1
	7.2%	*6.3%*	*-2.7%*	*-3.9%*	*1.8%*	*0.8%*	*4.1%*	*6.7%*	*4.8%*	*6.1%*
Change in S & P 500 Index of Common Stock*	12.9%	7.5%	-39.1%	19.7%	1.1%	11.7%	6.4%	5.2%	4.3%	5.4%
Interest rate on 10-year Treasury notes (%)	4.8	4.7	3.9	3.2	3.6	4.0	5.5	5.9	6.5	6.6
Washington Area Consumer Prices: % change from prior year	3.8	2.5	5.1	0.1	2.3	2.0	2.3	2.2	2.4	2.4

** 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 (January 2010) and Economy.com (January 2010); on forecasts of the national economy prepared by the Congressional Budget Office (January 2010) and Blue Chip Economic Indicators (January 2010); on BLS labor market information from December 2009; on the 2000 Census and Census Bureau estimates of the 2009 D.C. population (December 2009); 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 (September 2009); on Metropolitan Regional Information System (MRIS) D.C. home sales data (December 2009), accessed through the Greater Capital Area Association of Realtors (GCAAR); on Delta Associates information on commercial office buildings and residential property in D.C. (December 2009), and on consulation with the D.C. Office of Planning on D.C. the outlook for housing construction.

ORA
February 24, 2010

FY 2009 - FY 2014 Revenue Actuals, Estimates and Projections: February 2010

(thousands of dollars)

	Actual	** Estimate **		** Out year projections **		
Revenue Source	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**
Real Property	1,822,693	1,773,111	1,574,072	1,512,534	1,543,286	1,607,927
Transfer to TIF/Pilot	*(17,921)*	*(19,585)*	*(27,600)*	*(30,448)*	*(34,685)*	*(50,409)*
Real Property (net)	1,804,772	1,753,526	1,546,472	1,482,086	1,508,601	1,557,518
Personal Property	69,163	65,428	65,624	66,195	66,857	68,054
Transfer to Neighborhood Investment Fund	*(10,000)*	*(2,588)*	*(6,800)*	*(6,800)*	*(6,800)*	*(10,000)*
Personal Property (net)	59,163	62,840	58,824	59,395	60,057	58,054
Public Space Rental	32,612	31,797	30,779	31,047	31,357	31,671
Transfer to DDOT	*(32,612)*	*(31,797)*	*(30,779)*	*(31,047)*	*(31,357)*	*(31,671)*
Total Property	**1,863,935**	**1,816,366**	**1,605,296**	**1,541,481**	**1,568,658**	**1,615,572**
General Sales	973,410	1,013,959	1,053,418	1,090,552	1,123,076	1,180,657
Transfer to convention center	*(91,538)*	*(97,865)*	*(101,696)*	*(105,303)*	*(108,455)*	*(114,047)*
Transfer to TIF	*(18,121)*	*(22,335)*	*(40,304)*	*(27,973)*	*(37,598)*	*(58,016)*
Transfer to DDOT capital (parking tax)	*(23,765)*	*(25,675)*	*(29,148)*	*(30,535)*	*(31,748)*	*(33,898)*
Transfer to Ballpark Fund	*(9,434)*	*(9,666)*	*(10,082)*	*(10,515)*	*(11,020)*	*(11,560)*
Transfer to School Modernization Fund	*(106,000)*	-	-	-	-	-
General Sales (net)	724,552	858,419	872,188	916,226	934,256	963,136
Alcohol	5,386	5,358	5,331	5,306	5,283	5,261
Cigarette	37,620	30,000	29,271	28,560	27,866	27,190
Motor Vehicle	32,107	32,108	32,750	33,733	34,745	35,787
Motor Fuel Tax	23,830	28,119	28,330	28,614	28,900	29,189
Transfer to Highway Trust Fund	*(23,830)*	*(28,119)*	*(28,330)*	*(28,614)*	*(28,900)*	*(29,189)*
Total Sales	**799,665**	**925,885**	**939,541**	**983,825**	**1,002,150**	**1,031,373**
Individual Income	1,135,938	1,219,620	1,257,192	1,314,038	1,376,495	1,437,092
Corp. Franchise	221,882	246,584	253,270	285,235	288,432	294,008
U. B. Franchise	120,247	106,476	114,984	122,334	129,522	136,537
Total Income	**1,478,067**	**1,572,680**	**1,625,446**	**1,721,607**	**1,794,449**	**1,867,637**
Public Utility	151,046	152,126	152,337	152,518	152,676	152,811
Transfer to Ballpark Fund	*(10,091)*	*(9,430)*	*(9,443)*	*(9,454)*	*(9,464)*	*(9,472)*
Public Utility (net)	140,955	142,696	142,894	143,064	143,212	143,339
Toll Telecommunications	66,586	67,718	67,753	67,780	67,799	67,814
Transfer to Ballpark Fund	*(2,949)*	*(2,778)*	*(2,779)*	*(2,780)*	*(2,781)*	*(2,782)*
Toll Telecommunications (net)	63,637	64,940	64,974	65,000	65,018	65,032
Insurance Premiums	57,417	71,267	71,267	71,267	71,267	71,267
Transfer to Healthy DC Fund	(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	12,088	11,000	11,000	11,000	11,000	11,000
Transfer to Nursing Facility Quality of Care Fund	*(12,088)*	*(10,400)*	*(11,000)*	*(11,000)*	*(11,000)*	*(11,000)*
Ballpark fee	28,204	21,000	21,567	22,688	23,641	24,611
Transfer to Ballpark Fund	*(28,204)*	*(21,000)*	*(21,567)*	*(22,688)*	*(23,641)*	*(24,611)*
Total Gross Receipts	**253,356**	**265,867**	**261,649**	**261,845**	**262,011**	**262,152**
Estate	74,508	35,000	35,000	35,000	35,000	35,000
Deed Recordation	100,763	80,546	83,155	90,664	96,911	102,115
Transfer to HPTF	*(15,958)*	*(12,082)*	*(12,473)*	*(13,600)*	*(14,537)*	*(15,317)*
Deed Recordation (net)	84,805	68,464	70,682	77,064	82,374	86,798
Deed Transfer	78,262	66,533	63,230	68,080	71,348	73,659
Transfer to HPTF	*(12,286)*	*(9,170)*	*(9,485)*	*(10,212)*	*(10,702)*	*(11,049)*
Deed Transfer (net)	65,976	57,363	53,746	57,868	60,646	62,610
Economic Interests	8,376	10,000	10,000	10,000	10,000	10,000
Total Other Taxes	**233,665**	**170,827**	**169,427**	**179,932**	**188,020**	**194,408**
TOTAL TAXES NET OF DEDICATED TAXES	**4,628,688**	**4,751,625**	**4,601,359**	**4,688,691**	**4,815,288**	**4,971,142**
Licenses & Permits	65,924	65,707	71,080	72,582	76,834	73,835
Fines & Forfeits	101,415	140,194	155,663	158,370	156,334	159,399
Charges for Services	44,092	37,774	41,023	39,823	43,473	42,273
Miscellaneous	141,739	101,798	91,051	92,400	96,637	82,745
TOTAL NON-TAX	**353,170**	**345,473**	**358,817**	**363,175**	**373,278**	**358,252**
Lottery/Interfund Transfer	68,775	67,350	68,925	68,925	68,925	68,925
TOTAL REVENUE NET OF DEDICATED TAXES	**5,050,633**	**5,164,448**	**5,029,101**	**5,120,791**	**5,257,491**	**5,398,319**

FY 2009 - FY 2014 Revenue Actuals, Estimates and Projections: February 2010

percent change annual

Revenue Source	Preliminary FY 2009	** Estimate ** FY 2010	FY 2011	** Out year projections ** FY 2012	FY 2013	FY 2014
Real Property	8.9%	*-2.7%*	*-11.2%*	*-3.9%*	*2.0%*	*4.2%*
Transfer to TIF/PILOT	*169.3%*	*9.3%*	*40.9%*	*10.3%*	*13.9%*	*45.3%*
Real Property (net)	8.3%	-2.8%	-11.8%	-4.2%	1.8%	3.2%
Personal Property	15.9%	-5.4%	0.3%	0.9%	1.0%	1.8%
Transfer to Neighborhood Investment Fund	*0.0%*	*-74.1%*	*162.8%*	*0.0%*	*0.0%*	*47.1%*
Personal Property (net)	19.1%	6.2%	-6.4%	1.0%	1.1%	-3.3%
Public Space Rental	17.7%	-2.5%	-3.2%	0.9%	1.0%	1.0%
Transfer to DDOT	*17.7%*	*-2.5%*	*-3.2%*	*0.9%*	*1.0%*	*1.0%*
Total Property	**8.6%**	**-2.6%**	**-11.6%**	**-4.0%**	**1.8%**	**3.0%**
General Sales	-4.1%	4.2%	3.9%	3.5%	3.0%	5.1%
Transfer to convention center	*0.0%*	*6.9%*	*3.9%*	*3.5%*	*3.0%*	*5.2%*
Transfer to TIF	*-22.7%*	*23.3%*	*80.5%*	*-30.6%*	*34.4%*	*54.3%*
Transfer to DDOT capital (parking tax)	*-36.5%*	*8.0%*	*13.5%*	*4.8%*	*4.0%*	*6.8%*
Transfer to Ballpark Fund	*-23.7%*	*2.5%*	*4.3%*	*4.3%*	*4.8%*	*4.9%*
Transfer to School Modernization Fund	*6.0%*					
General Sales (net)	-3.5%	18.5%	1.6%	5.0%	2.0%	3.1%
Alcohol	3.8%	-0.5%	-0.5%	-0.5%	-0.4%	-0.4%
Cigarette	57.4%	-20.3%	-2.4%	-2.4%	-2.4%	-2.4%
Motor Vehicle	-20.1%	0.0%	2.0%	3.0%	3.0%	3.0%
Motor Fuel Tax	2.7%	18.0%	0.8%	1.0%	1.0%	1.0%
Transfer to Highway Trust Fund	*2.7%*	*18.0%*	*0.8%*	*1.0%*	*1.0%*	*1.0%*
Total Sales	**-2.4%**	**15.8%**	**1.5%**	**4.7%**	**1.9%**	**2.9%**
Individual Income	-15.4%	7.4%	3.1%	4.5%	4.8%	4.4%
Corp. Franchise	-22.5%	11.1%	2.7%	12.6%	1.1%	1.9%
U. B. Franchise	-5.2%	-11.5%	8.0%	6.4%	5.9%	5.4%
Total Income	**-15.8%**	**6.4%**	**3.4%**	**5.9%**	**4.2%**	**4.1%**
Public Utility	-1.6%	0.7%	0.1%	0.1%	0.1%	0.1%
Transfer to Ballpark Fund	*9.4%*	*-6.6%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
Public Utility (net)	-2.3%	1.2%	0.1%	0.1%	0.1%	0.1%
Toll Telecommunications	1.3%	1.7%	0.1%	0.0%	0.0%	0.0%
Transfer to Ballpark Fund	*15.2%*	*-5.8%*	*0.1%*	*0.0%*	*0.0%*	*0.0%*
Toll Telecommunications (net)	0.7%	2.0%	0.1%	0.0%	0.0%	0.0%
Insurance Premiums	9.1%	24.1%	0.0%	0.0%	0.0%	0.0%
Transfer to Healthy DC Fund	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	-12.2%	-9.0%	0.0%	0.0%	0.0%	0.0%
Transfer to Nursing Facility Quality of Care Fund	*-12.2%*	*-14.0%*	*5.8%*	*0.0%*	*0.0%*	*0.0%*
Ballpark fee	12.9%	-25.5%	2.7%	5.2%	4.2%	4.1%
Transfer to Ballpark Fund	*12.9%*	*-25.5%*	*2.7%*	*5.2%*	*4.2%*	*4.1%*
Total Gross Receipts	**-0.3%**	**4.9%**	**-1.6%**	**0.1%**	**0.1%**	**0.1%**
Estate	11.4%	-53.0%	0.0%	0.0%	0.0%	0.0%
Deed Recordation	-35.4%	-20.1%	3.2%	9.0%	6.9%	5.4%
Transfer to HPTF	*-33.1%*	*-24.3%*	*3.2%*	*9.0%*	*6.9%*	*5.4%*
Deed Recordation (net)	-35.8%	-19.3%	3.2%	9.0%	6.9%	5.4%
Deed Transfer	-30.4%	-15.0%	-5.0%	7.7%	4.8%	3.2%
Transfer to HPTF	*-26.6%*	*-25.4%*	*3.4%*	*7.7%*	*4.8%*	*3.2%*
Deed Transfer (net)	-31.1%	-13.1%	-6.3%	7.7%	4.8%	3.2%
Economic Interests	-84.7%	19.4%	0.0%	0.0%	0.0%	0.0%
Total Other Taxes	**-33.1%**	**-26.9%**	**-0.8%**	**6.2%**	**4.5%**	**3.4%**
TOTAL TAXES NET OF DEDICATED TAXES	**-5.4%**	**2.7%**	**-3.2%**	**1.9%**	**2.7%**	**3.2%**
Licenses & Permits	-22.4%	-0.3%	8.2%	2.1%	5.9%	-3.9%
Fines & Forfeits	2.5%	38.2%	11.0%	1.7%	-1.3%	2.0%
Charges for Services	1.4%	-14.3%	8.6%	-2.9%	9.2%	-2.8%
Miscellaneous	-10.6%	-28.2%	-10.6%	1.5%	4.6%	-14.4%
TOTAL NON-TAX	**-8.5%**	**-2.2%**	**3.9%**	**1.2%**	**2.8%**	**-4.0%**
Lottery/Interfund Transfer	-2.2%	-2.1%	2.3%	0.0%	0.0%	0.0%
TOTAL REVENUE NET OF DEDICATED TAXES	**-5.6%**	**2.3%**	**-2.6%**	**1.8%**	**2.7%**	**2.7%**