

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1248

IN THE MATTER OF:

Served March 1, 1973

Determination of D. C. Real Estate)
Tax Exemption for D. C. Transit)
System, Inc., as Required by Public)
Law 84-757, for the Real Estate)
Taxes Assessed July 1, 1972.)

Public Law 84-757, approved July 24, 1956, which granted a franchise to D. C. Transit System, Inc., provides in Section 9(g)(1):

. . . the Corporation shall not be required to pay real estate taxes upon any real estate owned by it in the District of Columbia and used and useful for the conduct of its public transportation operations to the extent that the Commission has determined under such rules and regulations as it may issue that the Corporation's net operating income in the previous year was insufficient, after giving effect to the tax relief provided in the preceding subsections /D. C. Motor Vehicle Fuel Tax Exemption/ to afford it a 6-1/2 per centum rate of return.

In compliance with the above, the Commission has made a determination regarding the exemption of D. C. Transit System, Inc., from D. C. real estate taxes. The pertinent calculations and detailed supporting schedules of real estate taxes appear in Exhibits A and B attached.

Findings and Notification to the Commissioner
of the District of Columbia

The Washington Metropolitan Area Transit Commission in its Order No. 1247, served on March 1, 1973, certified to the Commissioner of the District of Columbia that the net operating revenue for the twelve-month period ended August 31, 1971 ("the previous year") after giving effect to the D. C. Motor Vehicle Fuel Tax Exemption certified in such order, was \$1,640,567.33. This is "insufficient . . . to afford . . . a 6-1/2 per centum rate of return" by \$1,321,375.02.

D. C. Transit System, Inc., accordingly, qualifies for exemption from real estate taxes assessed July 1, 1972, on "real estate owned by it in the District of Columbia and used and useful for the conduct of its public transportation operations", per Exhibits A and B, attached, in the amount of \$264,624.02.

FOR THE COMMISSION:


DOUGLAS N. SCHNEIDER, JR.
Executive Director

Exhibit A

DETERMINATION OF EXEMPTION OF D. C. TRANSIT SYSTEM, INC.
FROM D. C. REAL ESTATE TAXES ASSESSED JULY 1, 1972,
BASED ON FINANCIAL RESULTS OF THE CORPORATION'S
FISCAL YEAR ENDED AUGUST 31, 1971

| | |
|--|-----------------|
| Gross Operating Revenues, as certified in WMATC Order No. 1247. Public Law 84-757, Section 9(b)(1). | \$45,568,343.81 |
| Gross Operating Revenues multiplied by 6-1/2 per centum. Public Law 84-757, Section 9(b)(1). | \$2,961,942.35 |
| Net Operating Revenues, after giving effect to the D. C. Motor Vehicle Fuel Tax exemption certified in WMATC Order No. 1247. | \$1,640,567.33 |
| Amount by which Net Operating Revenues are "insufficient . . . to afford . . . a 6-1/2 per centum rate of return." | \$1,321,375.02 |
| D. C. Real Estate Tax exemption for which D. C. Transit System, Inc., qualifies. Per Exhibit B, Sheet 2. | \$264,624.02 |

D. C. TRANSIT SYSTEM, INC.

| Property on Books at June 30, 1972 Location | Original Cost | | D. C. Real Estate Taxes Assessed July 1, 1972 | |
|---|-----------------------|-----------------------|--|-----------------|
| | Land | Buildings | Exempt | Non-Exempt |
| <u>Operating Property</u> | | | | |
| <u>In D. C.:</u> | | | | |
| 26th and Bladensburg | \$ 823,167.90 | \$2,781,805.49 | \$ 76,154.38 | \$ |
| Bladensburg Division | 1,256,534.83 | 1,966,286.57 | 38,437.44 | |
| Eastern Garage | 74,866.84 | 326,640.59 | 17,287.90 | |
| Western Garage | 10,793.98 | 353,753.17 | 52,840.26 | |
| Northern Garage | 54,416.50 | 901,402.89 | 31,091.10 | |
| Southeastern Garage | 83,586.76 | 350,926.21 | 19,537.50 | |
| Brookland Garage | 103,659.48 | 397,974.92 | 19,287.68 | |
| Platforms and Stop Signs | -0- | 17,573.22 | -0- | |
| Chevy Chase Terminal | 26,201.79 | 33,431.71 | 5,445.46 | |
| Rock Creek Loop | 12,729.66 | 8,878.25 | 1,611.00 | |
| 14th and Col. Terminal | 18,393.75 | 15,388.16 | 1,877.46 | |
| 12th and Quincy Terminal | 20,599.13 | 7,075.96 | 479.40 | |
| 62nd and Dix Terminal | 6,692.59 | -0- | 574.44 | |
| <u>Outside D. C.:</u> | | | | |
| Wisconsin Avenue Terminal | 24,797.90 | 27,411.09 | | |
| Mt. Rainier Terminal | 31,541.21 | 15,499.76 | | |
| Rosslyn Terminal | -0- | 4,963.09 | | |
| Seat Pleasant Loop | -0- | 8,104.92 | | |
| Silver Spring Transit Center | -0- | 33,517.85 | | |
| Sightseeing Sales Offices | -0- | 8,508.86 | | |
| Total Operating Property | \$2,547,982.32 | \$7,259,142.71 | \$264,624.02 | \$-0- |
| <u>Non-Operating Property</u> | | | | |
| <u>In D. C.:</u> | | | | |
| Benning Rights of Way | \$ 175.06 | \$ | \$ | \$ 10.88 |
| Eckington Place Rights of Way | 4,300.85 | | | 439.04 |
| Concrete Roadway-Fla. Ave. and Eckington Place | | 1,910.01 | | |
| <u>Outside D. C.:</u> | | | | |
| Land-Miscellaneous Parcels | 2,903.15 | | | |
| Miscellaneous Equipment | | 33,603.19 | | |
| Total Non-Operating Property | \$ 7,379.06 | \$ 35,513.20 | \$ -0- | \$449.92 |

D. C. TRANSIT SYSTEM, INC.

| Property on Books at June 30, 1972 Location | Original Cost | | D. C. Real Estate Taxes Assessed July 1, 1972 | |
|--|-----------------------|-----------------------|--|-----------------|
| | Land | Buildings | Exempt | Non-Exempt |
| Total Operating and Non- Operating Property (as reconciled with books below | <u>\$2,555,361.38</u> | <u>\$7,294,655.91</u> | | |
| Total D. C. Real Estate Taxes | | | <u>\$264,624.02</u> | <u>\$449.92</u> |

Reconciliation with Books:

Balances per books at June 30, 1972:

Land:

| | |
|----------------------------|----------------|
| A/C 502 - Operating | \$2,547,982.32 |
| A/C 404-01 - Non-Operating | 7,379.06 |

Buildings:

| | |
|---|------------------|
| A/C 504-01 through 504-08 and 505-00 - Operating | \$7,259,419.77 |
| Less: Audit Adjustment | (277.06) |
| A/C 404-01 - Non-Operating | <u>35,513.20</u> |

Total, per books, adjusted by
WMATC as of June 30, 1972

\$2,555,361.38 \$7,294,655.91