

Cleveland Park Citizens Association

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Testimony of George Idelson, President, Cleveland Park Citizens Association.

Re: Proposed Revenue Bond Project Financing for The Protestant Episcopal Cathedral Foundation of the District of Columbia

October 23, 2003

Tax-exempt bonds are not a divine right. Not even for the National Cathedral. Nor are they a free lunch for the Council. Think about it. If anyone could get a prize like this, no one would issue taxable bonds, and you would have denied the city much needed tax revenue.

You grant tax free status to revenue bonds that will, because of the bond, result in something good for the city. It is a subsidy, but it is also a trade-off. A factory gets built that that wouldn't have been possible without the bond. A new business is lured to the city that hires lots of people, including minorities. The community gets a benefit that adds to livability. In this case, none of this happened. The National Cathedral School sports facility is already built, and, I might add, over the bitter opposition of the community. It had to meet none of those requirements. The Cathedral Foundation simply wants to refinance the loan at a subsidized interest rate.

Because tax-free bonds are a privilege and not a divine right, the Council demands community endorsement before saying yes. Well, I am here to say that a sizeable and informed segment of the community, as represented by the Cleveland Park Citizens Association, is not yet ready to endorse the bond. The history of the Cathedral's past disdain for our concerns leaves a bad taste in our mouths and we want to end this bitterness.

Yes, the recently appointed Bishop John Bryson Chane has conceded past failures and has engaged in dialogue with community leaders. We note the change, but words alone don't seem to do it. Nor is dialogue the same as negotiation. The real decisions are made in the inner sanctum of the Foundation, and not by the distinguished individuals hired to meet the public. After long talks seeking our support for the bonds, we were told that the homeowners whose homes had been damaged by the gymnasium construction would be compensated for the repairs so the talks could continue. Then, without notice, we were told that no payments would be made without endorsement of the bond. Only when shamed by Councilmember Patterson into making payment, did the Cathedral relent. It was a lesson to us: Get it in writing. Would that Ms. Patterson had carried away the same lesson.

What we ask of the Cathedral is to put into writing some of the half promises they have made to us about future development. We have come a long way in moderating our position, but the Cathedral refuses to commit. The argument is made that failure to back Bishop Chane's sincere proffers of goodwill will take us back to the bad old days when trustees didn't so much as acknowledge a community interest. We say, a clear message from the Council is the only way to reach the inner sanctum of the Foundation and will actually strengthen the hand of the Bishop. We want to hear one voice from the Cathedral, not two. We prefer it to be the Bishop's voice.

Up to \$30 million in tax-free bonds is an enormous incentive to reach an understanding with the community. A foundation that would forego such a prize is either fiscally irresponsible, so wealthy it doesn't need the bond, or one that expects the Council to roll over and play dead.

Cordially,

George Idelson

Encl: Resolution of the Cleveland Park Citizens Association. (*Passed by the executive committee on June 17, 2003 and ratified by the membership on September 13, 2003.*)

EC-R1-061703

Whereas, community leaders within the National Cathedral neighborhood -- saddened, but informed, by a long history of bad relations with the Protestant Episcopal Cathedral Foundation (the "Foundation") and the National Cathedral School For Girls -- are desirous of cementing a more productive relationship for the future;

Whereas the Foundation is seeking community support for low-interest, tax-free municipal bonds;

Whereas such bonds are not an entitlement, but a privilege which may be bestowed by the city;

Whereas said community leaders have proposed that support for such bonds would be contingent on the Foundation's entry into an enforceable, negotiated agreement to undertake certain major improvements of benefit to the community as well as the Cathedral; and

Whereas such improvements should include, in part, underground parking for tour buses, adherence to the Olmsted limit of 14 percent lot occupancy on the Close, and a prohibition on construction of redundant school facilities on the Close.

Now therefore be it resolved that the Cleveland Park Citizens Association calls upon ANC3C and the Council of the District of Columbia to deny bond approval unless and until such a negotiated agreement is reached.