

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: December 13, 2002

SUBJECT: Fiscal Impact Statement: “District Hotel Development Projects
Labor Peace Agreement Act of 2002”

REFERENCE: Bill Number 14-007

Conclusion

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to approve the District Hotel Development Projects Labor Peace Agreement Act of 2001 because the proposed legislation will not directly affect either District revenues or expenditures. However, the proposed legislation will increase the cost of construction supported by District subsidies by 5% - 15%.

Background

The District Hotel Development Projects Labor Peace Agreement Act of 2001 requires that labor peace agreements between employers and labor organizations be negotiated for hotel development projects where the District has a proprietary interest. It would require that employers taking part in certain development projects seek agreements with labor organizations in which the labor organizations agree to forbear from adverse economic action against the employers’ operations and to expeditiously resolve labor/management issues. This act aims to protect the District’s interest by avoiding work stoppages which may cause delay in the completion of a project, reduce the revenues or increase the cost of a project. The burden of negotiation is between labor and management – not the District government.

Financial Plan Impact

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to approve the District Hotel Development Projects Labor Peace Agreement Act of 2001 because the proposed legislation will not directly affect either District revenues or expenditures. However, the proposed legislation will increase the cost of construction supported by District subsidies by 5% - 15%.