

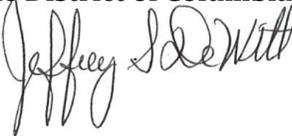
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: March 24, 2016

SUBJECT: Fiscal Impact Statement – Tree Canopy Protection Amendment Act of 2016

REFERENCE: Bill 21-318, Draft Committee Print as shared with the Office of Revenue Analysis on March 23, 2016

Conclusion

Funds are not sufficient in the fiscal year 2016 through fiscal year 2019 budget and financial plan to implement the bill. If enacted, the bill will likely be implemented in fiscal year 2017, and will cost \$2.2 million over the four-year financial plan period. The bill will also generate \$1.4 million over the four-year financial plan period which will be deposited into the Tree Fund.

The bill's implementation is subject to its inclusion in an approved budget and financial plan.

Background

The District Department of Transportation (DDOT) oversees the District's tree policy and plants and maintains trees in the public right-of-way. DDOT also runs a tree permit program for any property owner who wants to remove a special tree.¹ If the special tree is hazardous or invasive, a property owner can remove it for free. If the tree is healthy, then the property owner must pay \$35 per inch of circumference of the trees being removed. The fees are then deposited into the Tree Fund² which DDOT uses to plant new trees, maintain existing trees, and to provide income-contingent subsidies to homeowners for the removal of hazardous trees. Residents who have a special tree removed without a permit pay a fine of \$100 per inch of circumference.

¹ A special tree is a large tree, with a trunk circumference of 55 inches when measured at 4 and 1/2 feet from the base of the tree.

² Urban Forest Preservation Act of 2002, effective June 12, 2003 (D.C. Law 14-309; D.C. Official Code § 8-651.07).

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The bill redefines a special tree as a tree with a trunk circumference between 44 and 100 inches. It also increases the healthy tree removal fee to \$55 per inch of circumference. Trees with a trunk circumference of 100 inches or more would be designated Heritage Trees, and DDOT will allow the removal of these trees only if they are hazardous or of a species that is appropriate for removal. Alternatively, an applicant can relocate and replant a heritage tree if it can be done without harm to the tree.³ It increases the fine for removing a special tree without a permit from \$100 per inch of circumference to \$300 per inch.

The bill expands the allowable uses of Tree Fund resources to include planting on private property. However, the bill establishes a new requirement that trees planted with Tree Fund resources, whether on public or private land, must receive a survival check.

The bill expands DDOT's tree responsibilities to cover all trees in public space, including those on District owned lands such as recreation and school facilities. DDOT will review any construction plans for other District agencies to ensure the tree canopy is protected at those sites.

The bill also establishes an Urban Forestry Advisory Council (UFAC) composed of twelve members. The UFAC will ensure coordination among District agencies and external partners related to preservation of the tree canopy; advise on the programs, policies, and the use of Tree Fund resources; and opine on tree canopy reports and master plans.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2015 through fiscal year 2019 budget and financial plan to implement the bill.

The concurrent reduction in the size of a special tree and the expansion of DDOT's responsibility over all trees on public space increases the number of trees under DDOT's purview and the burden on DDOT's Urban Forestry Administration. The reduction in tree size increases the population of trees requiring a permit by approximately 275,000 trees. DDOT will need two additional arborists and related equipment and materials in order to maintain all the additional District trees and to educate the public and process new permits due to the special tree size reduction. DDOT will also need ongoing operating support to manage the additional trees on District properties. This will cost \$2.2 million over the four year financial plan period.

The special tree size reduction and the increase in the fee per inch of circumference will increase potential revenues for the Tree Fund. The likelihood increases that a special tree is healthy as opposed to hazardous with smaller trees. Since healthy trees require a fee payment, these provisions will generate an additional \$1.4 million over the four year financial plan period for the Tree Fund. These funds will not be used to offset the bill's proposed costs.

The Mayor implemented a District of Columbia Urban Forestry Advisory Committee in 2015⁴ that is similar in composition and charge to the proposed Urban Forestry Advisory Council. There are no additional costs associated with this provision.

³ If the tree is relocated and does not survive after three years, the applicant will be fined \$300 for each inch of circumference of the heritage tree.

⁴ Mayor's Order 2015-260.

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Tree Canopy Protection Amendment Act of 2016					
Bill 21-318					
Fiscal Impact Analysis					
FY 2016 – FY 2019					
	FY 2016	FY2017^a	FY2018	FY 2019	Total
Additional DDOT Personnel	\$0	(\$128,000)	(\$133,000)	(\$138,000)	(\$399,000)
DDOT Non-Personnel Expenses ^b	\$0	(\$750,000)	(\$550,000)	(\$550,000)	(\$1,850,000)
Total General Fund Expenditures	\$0	(\$878,000)	(\$683,000)	(\$688,000)	(\$2,249,000)
Increased Revenue Dedicated to Tree Fund^c	\$0	\$452,000	\$452,000	\$452,000	\$1,356,000

Table Notes

^a Assumes implementation will begin in fiscal year 2017.

^b NPS expenses include some one-time costs in fiscal year 2017, such as vehicles and equipment, as well as costs associated with the ongoing expansion of UFA responsibilities.

^c Revenues include those from increased fees and the reduction in special tree size.