

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

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

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: November 30, 2012

SUBJECT: Fiscal Impact Statement – “Retail Incentive Amendment Act of 2012”

REFERENCE: Bill 19-990 – Revised Committee Print, shared with the Office of Revenue Analysis on November 29, 2012

Conclusion

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

The bill requires the Mayor to identify a funding source for two new Retail Priority Areas, but does not detail the level of funding needed. An existing development plan for one of these Areas suggests that the expenditure commitments could be significant. The FY 2013 through FY 2016 budget and financial plan does not currently account for this financial commitment.

The bill is subject to appropriations.

Background

The bill defines and delineates the boundaries of two new Retail Priority Areas: the North Capitol Street Retail Priority Area, and the Rhode Island Avenue, N.E. Retail Priority Area.¹ It further provides that within 45 days of the bill’s effective date, the Mayor shall submit to the Council a proposed resolution identifying a funding source for each Retail Priority Area.

Financial Plan Impact

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill.

¹ The bill amends Section 4 of the Retail Incentive Act of 2004, effective September 8, 2004 (D.C. Law 15-185; D.C. Official Code § 2-1217.73).

The Honorable Phil Mendelson

FIS: Bill 19-990 "Retail Incentive Amendment Act of 2012," as Revised Committee Print, shared with the Office of Revenue Analysis on November 29, 2012

The bill requires the Mayor to identify a funding source for the two Retail Priority Areas, but does not detail the level of funding needed. The Deputy Mayor for Planning and Economic Development recently published a small area plan for the Rhode Island Avenue corridor, which outlines a number of public investments that can be made to support a pipeline of potential private projects totaling over \$1 billion in development value over the coming decade. This report leads ORA to conclude that a meaningful impact in the area could require a significant level of funding, which the Mayor is unlikely to be able to identify using existing economic development resources and without taking funds away from competing priorities.