

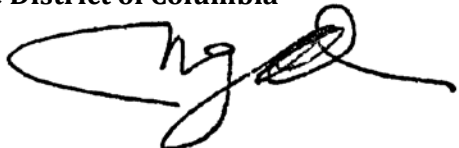
Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** January 4, 2012

**SUBJECT:** Fiscal Impact Statement – “Streetscape Reconstruction Emergency Act of 2011”

**REFERENCE:** Draft Legislation Shared with OCFO on December 16, 2011

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**Conclusion**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the proposed legislation.

**Background**

The proposed legislation would allow a building owner or tenant to reconstruct a building projection upon completion of a Streetscape project.<sup>1</sup> Projections include bay windows, staircases, patios, sidewalk cafés, and other fixtures attached to a building and are located in public space. The reconstructions would need to be identical to the projections’ structures as they existed at the beginning of the Streetscape project. The owner or tenant would be required to obtain and pay for any associated building and construction permits.

Although not specified in the bill, the main intent of the proposed legislation is to ensure businesses can resume sidewalk café operations following the Streetscape project without obtaining public space occupancy and use approval from the District Department of Transportation (DDOT). Under current law, an owner or a tenant must reapply for a public space permit if there is any change to the use or occupancy of public space. The new construction must meet the design specifications of the DDOT. These specifications may change as a result of a Streetscape project.

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<sup>1</sup> A Streetscape project is defined as a roadway reconstruction on a commercial main street.

## **Financial Plan Impact**

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the proposed legislation. DDOT is responsible for managing public space, including building projections into public space, and would not experience any additional costs associated with implementation of the proposed legislation.

The legislation is not likely to have a significant revenue impact. Businesses that have been paying their public space rental fees would continue to pay following reconstruction, maintaining existing revenues. The Streetscape project could also provide opportunities for businesses to establish a sidewalk café where one did not previously exist,<sup>2</sup> generating insignificant additional revenues.<sup>3</sup>

The District Department of Consumer and Regulatory Affairs is responsible for issuing the construction permits. Owners or tenants must still apply for construction permits under the proposed legislation, but these permits would not significantly increase revenue.<sup>4</sup>

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<sup>2</sup> DDOT has established two to three new cafés on the completed segments of the Adams Morgan 18<sup>th</sup> Street corridor.

<sup>3</sup> For tax year 2012, 499 sidewalk cafés were billed citywide at an average rate of \$1,850 per café.

<sup>4</sup> A commercial projection into public space permit costs \$143.