


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:** October 2, 2020

**SUBJECT:** Fiscal Impact Statement – Revised Streatery and Pop Up Locations  
Programs Clarification Emergency Amendment Act of 2020

**REFERENCE:** Draft Introduction as provided to the Office of Revenue Analysis on  
September 29, 2020

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**Conclusion**

Funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill.

**Background**

When the Mayor declared a public health emergency due to the COVID-19 pandemic,<sup>1</sup> the Council passed several emergency and temporary measures to support residents, visitors, and businesses. One of the measures to support businesses authorized the Alcoholic Beverage Control Board (Board) and the Alcoholic Beverage Regulation Administration (ABRA) to register licensed establishments to offer delivery and carry-out and permit on-premises food and alcoholic beverage consumption at up to two alternative, or pop up, locations.<sup>2</sup> A second measure authorized the Board and ABRA to

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<sup>1</sup> Declaration of Public Emergency and Declaration of Public Health Emergency, declared March 11, 2020 (Mayor's Orders 2020-45 and 2020-46).

<sup>2</sup> Coronavirus Support Congressional Review Emergency Amendment Act of 2020, enacted June 8, 2020 (D.C. Act 23-328; D.C. Official Code § 25-113(a)(3)(D)).

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register licensed establishments to temporarily establish new or expanded outdoor dining options, known as streateries.<sup>3</sup>

The Council authorized the Board and ABRA to register licensed on-premises retailers<sup>4</sup> to operate pop up on-premises dining, delivery, and carry-out services at up to two additional locations. To be eligible, a licensed establishment must register with the Board, ensure that the additional location has a valid certificate of occupancy,<sup>5</sup> receive the additional location's owner's legal authorization for use by the licensee, and comply with any other District laws, orders, regulations, orders, or requirements. Registered establishments must abide by enumerated operational parameters such as limiting indoor capacity to 50 percent of the lowest indoor occupancy load; ensuring that tables, seated patrons, and waiting patrons are spaced at least six feet apart; requiring patrons not eating or drinking and staff to wear face coverings; offering prepared food items and requiring the purchase of at least one to order alcoholic beverages; and implementing sanitation and disinfection protocols. These establishments are also prohibited from offering events and activities that encourage patrons to cluster, seating more than six people at a table, offering live music or entertainment,<sup>6</sup> and serving alcoholic beverages or food to standing patrons. A registered establishment may only offer delivery and carry-out from public space at the additional location if the location has a sidewalk café permitted by the District Department of Transportation (DDOT). Registered establishments' pop up locations are limited to operations for 60 days with an option for an additional 30-day extension. Registered establishments can only offer indoor on-premises dining daily between the hours of 8:00 a.m. and midnight. They can offer delivery and carry-out daily between the hours of 7:00 a.m. and midnight. The Board cannot charge pop ups a registration fee.

The bill expands the hours that a registered establishment can operate a pop up location for both on-premises sales, service, and consumption of food and alcoholic beverages, and for delivery and carry-out services. Establishments can now begin on-premises dining at 6:00 a.m. and can offer delivery and carry-out daily from 6:00 a.m. to 1:00 a.m. These hours of operation changes are effective as of October 1, 2020. The bill also removes an explicit prohibition for pop ups on video games, including games of skill, but maintains a prohibition on activities that would cause patrons to stand, cluster, or be in close contact with each other.

The Council also authorized the Board and ABRA to register licensed on-premises retailers, manufacturer's licensees with on-site sales and consumption permits, and Convention Center food and alcohol businesses to establish streateries on ground floor or street level public or private space. To be eligible, a licensed establishment must register with the Board, register with DDOT if operating on public space, obtain written approval from a property owner if operating on private space, and

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<sup>3</sup> Coronavirus Support Clarification Emergency Amendment Act of 2020, enacted July 7, 2020 (D.C. Act 23-332; D.C. Official Code § 25-113 (a)(6)).

<sup>4</sup> This includes class C and D restaurants, taverns, hotels, nightclubs, multipurpose facilities, and private clubs.

<sup>5</sup> For use of an additional location exclusively for delivery and carry-out, the location must have a valid general certificate of occupancy. If the location is also used for on-premises sales and consumption, the certificate of occupancy must be valid for occupancy as a restaurant or other eating or drinking establishment.

<sup>6</sup> Registered establishments can obtain a waiver from the District of Columbia Homeland Security and Emergency Management Agency.

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comply with any other District laws, orders, regulations, orders, or requirements. Registered establishments must abide by enumerated operational parameters such as ensuring that tables and waiting patrons are spaced at least six feet apart, requiring patrons not eating or drinking and staff to wear face coverings, offering prepared food items and requiring the purchase of at least one to order alcoholic beverages,<sup>7</sup> and implementing sanitation and disinfection protocols. These establishments are also prohibited from offering events and activities that encourage patrons to cluster, seating more than six people at a table, offering live music or entertainment, and serving alcoholic beverages or food to standing patrons. Registered establishments are authorized to operate streateries daily between the hours of 8:00 a.m. and midnight, but the authorization is set to expire on October 25, 2020. The Board cannot charge a streatery registration fee.

The bill expands the daily operating hours for a streatery by allowing them to open at 6:00 a.m. beginning on October 1, 2020 and extends a streatery registration's validity through April 30, 2021.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2020 budget and the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The Board and ABRA are currently registering licensed retailers for both pop up locations and streateries. The Board has registered 29 pop up locations as of September 24, 2020 and approximately 541 streateries<sup>8</sup> as of September 25, 2020. ABRA can absorb any additional enforcement costs associated with expanded hours and extended opportunities for streateries within the administration's existing budgeted resources.

The operational flexibility and additional sales opportunities for retailers as a result of pop ups and streateries are considered in the District's restaurant and alcohol sales tax revenue estimates and the bill's changes do not change those revenue expectations.

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<sup>7</sup> Registered establishments can partner with a third-party food vendor to satisfy these requirements.

<sup>8</sup> Additional streateries have been permitted, but they do not serve alcohol and are not subject to the bill's provisions.