



SIDEWALK CAFE PERMIT AND PUBLIC SPACE RENTAL FEE: REIMBURSEMENTS WAIVERS

ISSUE

In an effort to support DC restaurants, the DC Department of Transportation (DDOT) eased public space use requirements to create streateries, parklets, and expansion onto sidewalks. DDOT waived public space and permit fees to property owners and businesses. However, DDOT has continued to charge and collect public space fees associated with restaurants' Sidewalk Cafe permits. This oversight is concerning for several reasons:

- Businesses that have no existing permit are currently allowed to access public space with no fee. Therefore, there should be no renewal fees required for those with existing permits as a matter of equity.
- Existing Fees are based on an assumption of a now invalid occupancy load. Government requirements for social distancing to meet public health concerns have reduced by at least 50% the number of guests allowed to access patios. This has periodically dropped to total closure under Stay At Home orders. Permit holders should not be required to pay for a service that the government is not delivering (i.e., access to public space for described use and occupancy load).
- Property Owners are billed for the Sidewalk Cafe rental fee but typically pass this cost onto their restaurant tenants, either as a lump sum or as a part of the monthly lease obligation. Therefore, this expense (typically thousands of dollars, depending upon square footage) is a direct cost to local businesses.

OPPORTUNITY

During this period of mandated reductions in occupancy, there is broad political support for reimbursing fees collected in 2020 and waiving fees for 2021. ReOpen DC advisory groups recommended waiving of Sidewalk Cafe public space rental fees to support DC restaurants' ability to reopen safely with public distancing. Director Marootian made a public statement in the May 29, 2020, Mayoral Town Hall focused on reopening guidance for DC restaurants that all public space fees would be waived. DC Government officials are working hard to preserve the viability of small businesses as a valued contributor to the District's economy and employment opportunities. Policies to reduce costs to small business is consistent with this stated goal. DC's restaurant industry is especially vulnerable to public space limitations. Further, DC is slated to receive \$2.5 billion in federal relief, which will help to offset budget impacts of a revenue decrease.

DISTRICT BRIDGES RESPONSE

DC small businesses are facing bankruptcy and closure if they cannot creatively generate revenue and reduce costs. Eliminating these fees will keep several thousands of dollars in business owners' pockets and is more efficient and equitable than grant processes. District Bridges working toward the following measures:

- Reimbursement of Fees: District shall reimburse property owners in full for paid FY20 and FY21 public space rental fees in full.
- Waiving of fees: District will remove any future fees for FY21 and FY22 to support the economic recovery of DC restaurants.

Property Owner and Tenant Obligations: If property owners have received payment from tenants for these fees, Property owners must reimburse tenants or apply reimbursement to outstanding rent due. If landlords have not paid, the waiver would be applied and any outstanding penalties or interest canceled.