

Memorandum



CITY OF DALLAS

Date: June 7, 2013

To: Quality of Life Committee: Angela Hunt (Chair), Sandy Greyson (Vice Chair),
Mónica R. Alonzo, Dwaine Caraway, Carolyn R. Davis

Subject: Streetscape Licenses Briefing

On Monday, June 10, you will be briefed on potential revisions to Streetscape License fees. This is a follow-up briefing to one provided in May 2013. A copy of the briefing is attached. Please contact Theresa O'Donnell at 670-4127 should you have any questions.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans
Assistant City Manager

cc: Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas P. Perkins, Jr., City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel Solis, Administrative Judge
A.C. Gonzalez, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Theresa O'Donnell, Director, Sustainable Development and Construction
Stephanie Cooper, Assistant to the City Manager

Streetscape Licenses

Quality of Life Committee

June 10, 2013



Purpose

- Review fee options for streetscape licenses
- Review impacts
- Consider next steps

Background

- Briefed Committee Feb.11th and May 13th
 - Vibrant, active streets are desirable
 - Currently implemented through licensing
 - Reduced fees are desirable for using public right-of-way for streetscape improvements

Focus on the Grey Area Between Public and Private Realms



Pedestrian-scaled lighting

On-street parking

Planting area

Street trees

Outdoor dining

Wide sidewalk

Active storefronts

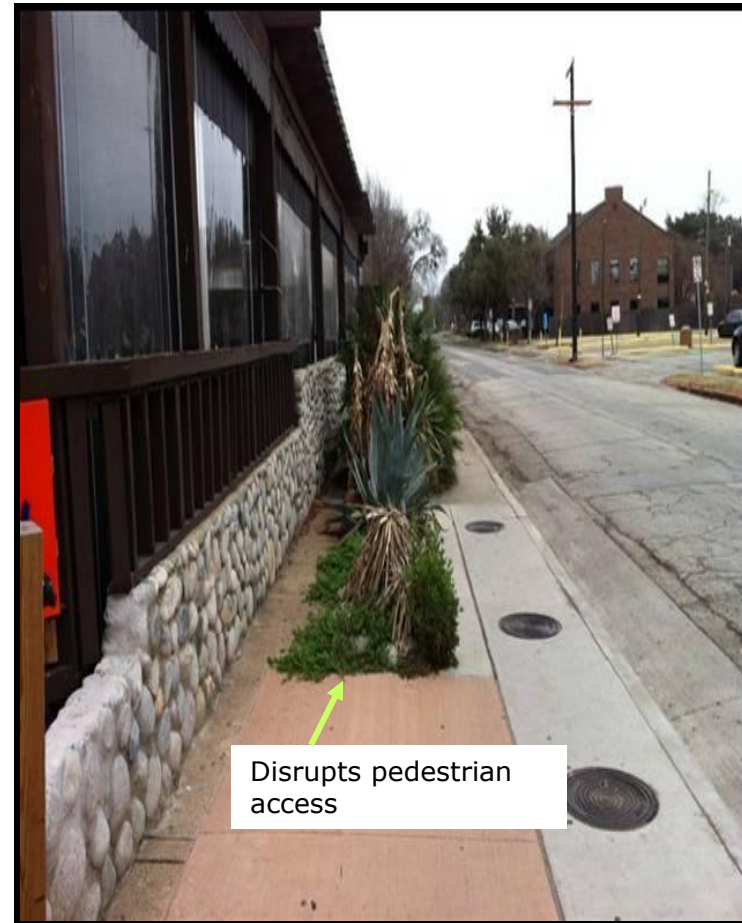
Wall sign

Mixed-use building pulled up to the street

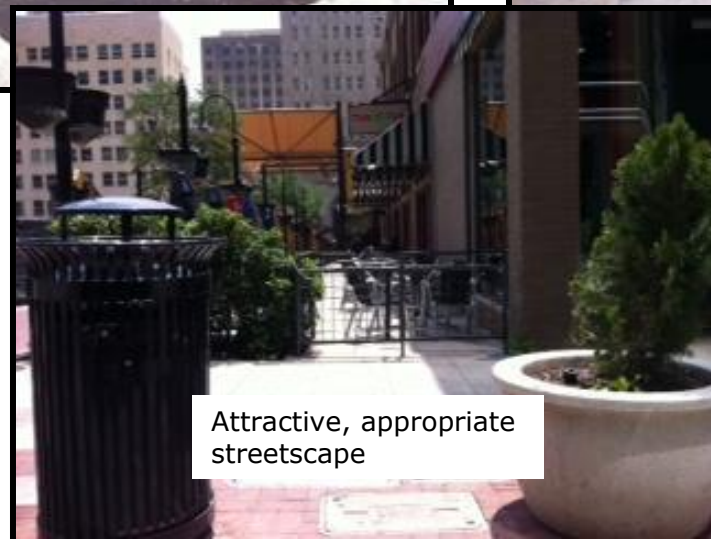
Bishop Arts Examples



Greenville Avenue Examples



Downtown Examples



Potential Policy Change

- Implement 2-year Pilot Program to reduce sidewalk café and streetscape license fees under current license policy
- Permit Program not a practical option due to the cash or surety bond requirement
 - (no provision to waive)

Recommendations

- Request Design Studio assistance in developing streetscape standards

Fees	Landscaping and Irrigation	Awning/Canopy w/o Premise Sign	Subdivision Signs	Streetscape Improvements	Sidewalk Cafés
Current	\$1,000 one-time fee	\$1,000 each, one-time fee	\$1,000 each, one-time fee	\$5,400 one-time fee	Min. \$1,000 Max. \$2,500 Annually
Scenario #1	\$500 one-time fee	\$500 each, one-time fee	\$500 each, one-time fee	\$2,500 one-time fee	Sliding Scale See page 14
Scenario #2	\$250 one-time fee	\$250 each, one-time fee	\$250 each, one-time fee	\$1,250 one-time fee	Sliding Scale See page 14

Fee, Uses and Revenue Caveats

- Staff was requested to present:
 - Breakdown on number of license types
 - Optional fee / revenue scenarios
- Breakdown is based on actual numbers for FY 2011-12
 - Includes all one-time fees for streetscape elements
 - Breaks out individual license types when license request included multiple streetscape elements
 - Annual number of one-time streetscape applications is approx. 30
 - Number of individual one-time streetscape elements is 59
 - Does not include streetscape elements approved in earlier years as annual license fees

2011-12 Streetscape Revenues

- \$315,000 received in streetscape license revenues:
 - One-time fees = \$63,000
 - \$1,000 for individual streetscape elements
 - \$5,400 for streetscape (cohesive group)
 - Sidewalk Cafés billed annually = \$90,000
 - Other elements billed annually = \$162,000
 - Awnings and canopies with signs
 - Decorative street lights
 - Walls, fences, gates (not landscaping)
 - Signs / video boards

Fee and Revenue Options

- Fee and revenue options on the following pages only address **\$153,000** of current revenues:
 - One-time fees = **\$63,000**
 - \$1,000 currently collected for individual streetscape elements
 - \$5,400 currently collected for streetscape as a cohesive group
 - Sidewalk Cafés billed annually = **\$90,000**
- Other streetscape elements billed annually (\$162,000) are not included in these numbers
 - Further discussion needed to determine what should be included in reduced fees for “streetscape” elements

Streetscape One-Time Fee Options

One-Time Streetscape License Fee	Current Number of Uses	Current Annual One-time Revenue	Assuming 10% Use Increase w/Reduced Fees	Potential Annual Revenue	Assuming 25% Use Increase w/Reduced Fees	Potential Annual Revenue
\$1,000	59	\$63,000				
\$500	59	\$31,500	65	\$35,000	74	\$41,000
\$250	59	\$16,000	65	\$17,000	74	\$21,000

- Above fee assumptions includes these license types:
 - Landscaping and irrigation
 - Awning/Canopy without premise sign
 - Subdivision sign
 - Individual streetscape improvements
 - Streetscape consisting of multiple cohesive elements (currently \$5,400, one time fee)
 - **NOTE:** Does not include sidewalk cafés, which are billed annually

Sidewalk Café

Annual Sliding Fee Options

- **Currently licensed: 36 sidewalk cafés**
- **Current annual revenue from sidewalk café licenses: \$90K**

Annual License Fee	Max/Tables and Chairs Per Location	Assumed No. of Use Types	Café' Annual Revenue	Assuming 10% Use Increase w/Reduced Fees	Café' Potential Annual Revenue	Assuming 25% Use Increase w/Reduced Fees	Café' Potential Annual Revenue Vs. Current \$90,000
<u>Sliding Scale</u> \$300	3 Tables 6 Chairs	12	\$3,600	13	\$3,900	15	\$4,500
\$600	6 Tables 12 Chairs	12	\$7,200	13	\$7,800	15	\$9,000
\$1,000	7+ Tables 13+ Chairs	12	\$12,000	13	\$13,000	15	\$15,000
Combined Total with Sliding Scale		36	\$22,800	39	\$24,700	45	\$28,500

Existing Fee: Formula based on square feet and appraised value; Min. \$1,000, Max. \$2,500

Revenue Options: Café Sliding Scale and One-Time Fees Reduced to \$500

		Assumes Equal Requests for Café Sizes				
	One-Time Streetscape License Fee:	ANNUAL Sidewalk Café Max. 3 Tables and 6 Chairs	ANNUAL Sidewalk Café Max. 6 Tables and 12 Chairs	ANNUAL Sidewalk Café 7+ Tables and 13+ Chairs	Potential Combined One-Year Revenue Cafés & One-time (Rounded)	Annual Streetscape Revenue Total Versus Current: \$315,000*
	\$500	\$300	\$600	\$1,000		
Current Volume:	\$31,500 (59 streetscape elements)	\$22,800 36 total cafés (12 of each size café)			\$55,000	\$217,000
10% Increase:	\$35,000 (65 streetscape elements)	\$24,700 39 total cafés (13 of each size café')			\$60,000	\$222,000
25% Increase:	\$41,000 (74 streetscape elements)	\$28,500 45 total cafés (15 of each size café)			\$70,000	\$232,000

*Includes one-time fee for streetscape elements, sidewalk cafés and other streetscape billed annually

Revenue Options: Café Sliding Scale and One-Time Fees Reduced to \$250

		Assumes Equal Requests for Café Sizes				
	One-Time Streetscape License Fee: \$250	ANNUAL Sidewalk Café Max. 3 Tables and 6 Chairs \$300	ANNUAL Sidewalk Café Max. 6 Tables and 12 Chairs \$600	ANNUAL Sidewalk Café 7+ Tables and 13+ Chairs \$1,000	Potential Combined One-Year Revenue Cafés & One- time (Rounded)	Annual Streetscape Revenue Total Versus Current: \$315,000
Current Volume:	\$16,000 (59 streetscape elements)	\$22,800 36 total cafés (12 of each size café)			\$39,000	\$201,000
10% Increase:	\$17,000 (65 streetscape elements)	\$24,700 39 total cafés (13 of each size café')			\$42,000	\$204,000
25% Increase:	\$21,000 (74 streetscape elements)	\$28,500 45 total cafés (15 of each size café)			\$50,000	\$212,000

*Includes one-time fee for streetscape elements, sidewalk cafés and other streetscape billed annually

Budget Implications

- ❑ Reduced fees have potential to result in:
 - ❑ Revenue reduction
 - ❑ Current streetscape revenue: \$315,000
 - ❑ Potential revenue with reduced fees and sliding scale for sidewalk cafés: \$201,000 - \$232,000 (depending on reduced fee amount and potential increases)
 - ❑ Reduction in annual revenue of between \$83K and \$114K
 - ❑ Increased workload
 - ❑ Based on existing workload and fees, revenue currently funds approximately 3 FTEs (\$230K):
 - ❑ 2.75 FTEs in Real Estate
 - ❑ .15 FTEs in City Attorney's Office
 - ❑ .15 FTEs in Other Reviewing Departments
 - ❑ Remaining revenues deposited in GF for city-wide operations
 - ❑ 10% increase = 3.3 FTEs; 25% increase = 4.5 FTEs

Budget Implications

□ Budget Summary

- Revenue loss ranging from \$83,000 to \$114,000
- Expenditure increase ranging from:
 - \$20,000 (from \$230K to \$250K with 10% increase)
 - \$115,000 (from \$230K to \$345K with 25% increase)
- Net budget implication ranging from (\$111,000) to (\$236,000), required GF subsidy of license program in excess of fees received

Budget Implications

	CURRENT	Same # Applications \$250 Fee	Same # Applications \$500 Fee	10% Increase Applications \$250 Fee	10% Increase Applications \$500 Fee	25% Increase Applications \$250 Fee	25% Increase Applications \$500 Fee
Revenue	\$315,000	\$201,000	\$217,000	\$204,000	\$222,000	\$212,000	\$232,000
Salary Amount Paid by Revenues	\$230,000	\$230,000	\$230,000	\$250,000	\$250,000	\$345,000	\$345,000
Paid to, or Subsidy from, GF for city-wide operations	\$86,000	(\$29,000)	(\$13,000)	(\$46,000)	(\$28,000)	(\$133,000)	(\$113,000)

Budget Implications

- Both reduced revenues and increased workload requiring additional staff would require increased GF support of license processing functions
 - Any change prior to new fiscal year would require mid-year budget adjustment

Next Steps

- Committee guidance is requested on potential changes to the current fees.