



HERMOSA BEACH
CHAMBER *of* COMMERCE
and VISITORS BUREAU

January 25, 2022

City Council
City of Hermosa Beach
1315 Valley Drive
Hermosa Beach CA 90254

RE: Dining Deck Fees

We are writing to you to with our comments on the recent staff report proposal for encroachment fees for outdoor dining decks.

Firstly, we would like to thank the City for being responsive and proactive in its approach to assisting businesses during the ongoing pandemic. We can say with certainty that quite a few Hermosa businesses would have shut down had it not been for the various measures taken by the City.

While we do appreciate the support from the City, as evidenced by the recent surge in COVID cases due to the Omicron variant, we are not out of the woods yet. Many Hermosa businesses are still struggling to recover from the two very difficult pandemic years of closures and restrictions.

In weighing the fee proposal, we believe that many factors need to be taken into consideration:

- The City staff report shows that while there has been parking revenue loss from on-street decks, there has also been an overall increase in visitors and the resulting parking revenue has offset a portion of the losses.
- Having the dining decks remain is vital for Hermosa's existence as a desirable place to live, work and play for the next century and speak directly to Hermosa's General Plan and model of "living streets."
- Our neighboring cities provide us with data for comparison. Manhattan Beach has implemented an encroachment fee of \$3/sq. ft. and Redondo has yet to charge an encroachment fee for their dining decks. Both neighboring cities have significantly higher foot traffic than Hermosa which is reflected in their commercial lease prices per square foot which, in the case of Manhattan Beach, is in many cases twice as high as Hermosa's commercial lease rate.

We feel very strongly that the staff report proposal of \$2/sq. ft. for dining deck encroachment fees is too high. We believe it will result in some businesses closing their dining decks and ultimately closing their businesses.

On behalf of the Hermosa Beach Chamber of Commerce, we believe that a square foot fee of no greater than \$1.50/sq. ft. would be fair and equitable to the city and the businesses of Hermosa.

We appreciate Council considering all of the above-mentioned points and recognizing the multitude of benefits the dining decks bring to the City of Hermosa and its residents.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Davis". The signature is fluid and cursive, with the first name "Dave" being more prominent than the last name "Davis".

Dave Davis
Chairman of the Board
Hermosa Beach Chamber of Commerce and Visitors Bureau