

From: [Raymond Dussault](#)
To: [City Council](#); [City Clerk](#); [Suja Lowenthal](#); [Myra Maravilla](#)
Subject: CHANGES TO THE TEMPORARY OUTDOOR DINING PROGRAM
Date: Monday, January 23, 2023 6:18:57 PM

Dear City Council.

When temporary and extended space was approved during COVID, it was intended to be temporary. (As were the lane reductions on Hermosa Ave. and Pier Ave. needed to accommodate the patio space.) Like Europe after the 1919 Influenza, the community, including residents and visitors, have overwhelmingly supported the patios and want the city to find a way to make them permanent.

Every council candidate, including the three that were elected, stated clearly that they supported the city creating an avenue to make the extended patios permanent. Fortunately, or so it seemed, the city was on the same page and on Nov. 3, 2022, the City Council directed City Staff to return on May 1, 2023 with a plan for how we can make all of the patios permanent.

Yet, on the current agenda and staff report, City Staff is proposing closing all temporary and extended patios on Pier Plaza. This is shocking and short-sighted.

Sharkeez and Palmilla's rooftop decks are mentioned specifically in the staff report but not Vista's. Personally, I love all three spaces and they are assets to the community. Yet all three are on private property and Sharkeez is already ADA ingress/egress compliant. Sharkeez rooftop was intended as a rooftop deck and was designed structurally for that use. All three decks must be treated equally with an opportunity for permanent approval.

There are complex issues, including permitting processes, adequate parking, and Coastal Commission support, that must be addressed in the permanent plan. That is an argument for not chopping this up piecemeal and making rash decisions that tear up the community.

At the November meeting, Mayor Jackson commented that he'd like to see the owners beautify their patios so he would find it easier to support them. Many business owners, like Vista, Tower 12 and Palmilla, had already done just that and Hennessey's Tavern recently invested money to improve their patio experience, relying on the City's implied word that a permanent plan would be proposed May 1.

To be clear – there are issues that should be addressed but this should occur within the framework of a carefully reasoned plan presented on May 1st. That plan needs to include a pathway for businesses to achieve city approval for private spaces and a plan for all businesses to have extended outdoor dining approved under Coastal Commission guidelines.

You may have seen in the news that San Diego acted proactively and already has a plan in place for its business community. Ideally, Tuesday night we will find out that our staff has likewise been in negotiation with the Coastal Commission for weeks and won't be just starting that work on May 1.

I think Phil, the owner of Café Wild in Manhattan Beach, said something that can apply throughout the South Bay: "During the holiday season my wife and I went back to England and it made me wonder how a country where it just rains all the time has more outdoor dining than California. I have friends that come here to visit, and they say, "Let's meet in Spain next year. South of France. Italy. Places we can sit outside and enjoy the sunshine. We live in California and we're more cooped up inside than we are in England. This is ridiculous."

To the specific points:

Market Rents:

- It is not unreasonable for the city to seek market rents for the space used by businesses. It is unfortunate that staff has muddied a non-controversial issue – market rates – with the disconcerting proposal of closing well loved and needed outdoor dining space.

Pier Plaza Temporary & Extended Patios:

- If you close the Pier Plaza patios, all these businesses will have to layoff bartenders, servers, managers and chefs. The human cost of governmental decisions is often forgotten. We are talking about dozens and maybe hundreds of jobs.
- This brand new “equity” argument is a logical fallacy and ignores human and business realities. Pier Plaza - like Santa Monica’s 3rd Street, Redondo Beach’s Riviera Village, San Diego’s Gaslamp - benefits from the synergy of many businesses in a single location near the ocean. That was the point! Because of that, rents and expenses are already many times higher than businesses that choose to locate off Pier Ave. Residents and visitors alike gravitate towards Pier Plaza because it has these advantages, not because it has more patio space. Should we erect a 20 foot wall in front of Scotty’s so their view is similar to a business on Upper Pier?
- The city should not be pitting one business against another. When this is done, the community loses.
- There are different business plans necessary if a business owner decides to open off of Pier Plaza. A business like Fox & Farrow – above Hermosa Brewing Company with no patio at all – has embraced that different approach and is thriving.
- In addition, there are many small-front businesses that are roughly the same size as the off-Pier properties. Businesses like Waterman’s, Greenspot, Silvios, Café Bonaparte, Playa Hermosa and even Molloy’s need their extended patios for long term viability.
- Some of the larger businesses – Vista’s patio, Brews Hall, Palmilla’s rooftop, Hennessey’s new patio area with its nice railing and Adirondack chairs, Sharkeez roof, Tower’s patio – have become valued assets to the community. The Chamber took advantage of Vista’s space for an election mixer, Leadership Hermosa Beach has embraced Sharkeez and Palmilla’s roof decks. I’ve personally held a toy drive supporting the Beach Cities Toy Drive on Sharkeez patio and a fundraiser benefitting Breast Cancer Angels on Tower’s patio.
- The community has desperately needed these larger spaces and they have been widely embraced.
- Staff is proposing a market rate structure for all of the extended patios. For the extended patios on Pier Plaza, that extra space costs the city nothing. It is a benefit to the community and creates no new expenses at all. If we are concerned that other corridors need attention to make them more viable, why not earmark those dollars for economic development improvements on Hermosa Ave. and Upper Pier? We could invest that money on better cohesive lighting, standing directories, events in those areas and creating a sense of place.

In the end, not only will businesses be harmed but employees will lose their incomes and residents will lose valuable spaces that are widely supported. And we will lose those valuable spaces because of the mistaken idea that closing them will cause thousands of people to flood Hermosa Ave. and Upper Pier. That’s not the nature of humans.

The city has long neglected the business corridors off Pier Plaza. Those corridors deserve a long-term comprehensive plan to improve their vitality. Harming residents and Pier Plaza businesses is not the plan those corridors need.

Please do not close these valuable Pier Plaza dining spaces and recommit to the council’s Nov. 3rd direction that Staff brings a comprehensive plan forward on May 1.

Sincerely,

Raymond Dussault

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Monday, January 23, 2023

Dear City Council,

I opened The Brews Hall restaurant in May of 2021. Though this was a challenging time in the industry and our Country's history to invest in new business, my team and I were excited to work with the city and provide a family-friendly restaurant on the Pier that would appeal to residents. Our restaurant group invested over a million dollars to achieve this goal. While business has improved compared to the more severe stages of the Covid epidemic, it is far from thriving. Additionally, the constant warnings of an impending recession have made customers more conservative with their dollars. The proposed loss of the extended outdoor seating will be detrimental for businesses like ours for several reasons.

Over 70% of our revenue is generated from our outdoor dining, nearly half of which is the extended patio portion. The patios are used predominately on the weekends when we can recoup the low sales during the week. Our business on Saturdays and Sundays allows us to recover the overall loss we experience during the week (Monday- Thursday). We depend on the busy weekends to balance those losses and bring us to breakeven. By removing the additional seating, you would remove nearly a third of our revenue, making profitability and the resulting sustainability of the business impossible.

Decreased restaurant revenue is not only a Hermosa Beach problem. The restaurant industry nationwide has continued to experience challenges. The effects of Covid never entirely subsided, and now we are experiencing new declines in sales due to the economy and impending recession. Customers are being extremely conservative with their dollars. It is the wrong time to take away revenue sources from restaurants. We do not have late-night sales generated by alcohol, and no other family restaurants on the Pier will survive this change. We encourage all of the businesses to share their current financials compared to 5 years ago. Those numbers will prove that business has yet to recover from the effects of 2020.

Our Covid footprint does not negatively impact the Pier in any way. Our space utilizes the bank's side frontage and does not encroach on the public walkway or views. The outdoor space is where families and the daytime crowd want to be.

In conclusion, if the extended patios are removed, the non-night club businesses, including ours, will most likely be forced to shut down, employees will lose their jobs and resulting incomes, and residents and visitors will go elsewhere to enjoy outdoor dining. Why take away such a positive element of Hermosa Beach? Keeping the patios will continue to encourage the healthy family environment that we all want and strive for in the city,

Thank you for your time and attention to this critical matter.

Sincerely,

Michael Zislis

Owner, The Brews Hall