

# STEP: “Short Term Entertainment Permit”

## Introduction

Over the past few months several local businesses have been experimenting with ways to draw customers to their establishments on “off” hours by offering “low impact” entertainment options such as game night, acoustic music and open mic night. Since none of the businesses had the required permits the City halted the activities. When the business owners inquired about or applied for a permit they found the City of Hermosa Beach’s permitting requirements and process difficult, confusing and expensive, particularly for the “low impact” entertainment they wanted to offer.

**THRIVE Hermosa**, a community based organization designed to utilize and activate local talent and resources ([www.thrivehermosa.com](http://www.thrivehermosa.com)), became aware of the issue on social media where businesses and their customers, mainly locals, posted their complaints and comments. Since we had already established an Economic Development pillar within **THRIVEHb** we decided to create a working group within that pillar to research what the issues were and how we could work together with the City and business owners to find a solution. The working group met with City staff, created a questionnaire for impacted businesses and met with the business owners. Based on all the information gathered, our recommendation is to create a six month Pilot program offering a reasonable and easy to access option for businesses called, STEP (Short Term Entertainment Permit).

This is a report to City Council and staff on our objectives, findings, and recommendations.

## STEP Objective

The Hermosa Beach downtown area is typically either “boom” (summer weekends, late night weekends), “bust” (weekdays and weeknights Monday through Wednesday), or somewhere in between (early evenings).

One of the goals of **THRIVEHb** is to help create a more vibrant downtown during what are typically “off” hours. The proposed short term entertainment permit (STEP) process is designed to address these “off” times.

Who benefits...

1. Residents and visitors by offering more entertainment options
2. Businesses by giving them an easy, cost effective permitting option enabling them to provide a better customer experience
3. The City by supporting its vision

While STEP is open to other business districts, the downtown is being highlighted, since businesses and residents have expressed an interest in having more entertainment options in that area.

### 1. More Entertainment Options for Residents and Visitors

In engaging with residents, many expressed an interest in having more entertainment options in Hermosa Beach, specifically for live music, comedic acts, games nights, and poetry or other type of readings.

## 2. Easy and Cost Effective Permits for Businesses

Today there are only two options for businesses wanting to offer amplified entertainment:

1. Entertainment as specified within a business's CUP (Conditional Use Permit): Since a CUP is associated with the property owner and not the business owner, the process is complex, time consuming, and expensive. CUPs are \$6,000 and their terms are negotiated with the city and vary by business.
2. Minor Special Event Permits: These permits are \$500 per year and limit the event holder to 12 times with a maximum of 3 consecutive days in that year.

STEP is literally a "step" in between the two current options.

Unlike a CUP, STEP is purchased by the business owner and remains with that specific business for the length of the permit. The fee for STEP is lower than a full entertainment CUP permit, since it is short term and is associated with the business owner not the property owner. All of these factors allow for a simpler and shorter approval process.

STEP is designed to promote non-prime time, low impact entertainment. Businesses interested in offering full bands and DJs, or want prime-time entertainment hours, are governed by their CUP and would need to request a CUP change.

## 3. Supports City's Vision

STEP is also designed to align with the city's vision in three areas:

1. The City's [Strategic Plan](#) for the vision through 2031.
  - Under "PRINCIPLE 3 PRESERVATION OF OUR WAY OF LIFE"
    - **We Value:** Opportunities to meet and to socialize with diverse people
  - Under PRINCIPLE 4 ECLECTIC DOWNTOWN
    - **We Value:** Sense of community with vibrancy
2. The City's "Late Night Action Plan" for a safer downtown
  - Objective: "Encourage mid-day and early-evening success"
3. DRAFT PLAN Hermosa, Vision Statement, Bullet #2
  - "Vibrant Local Economy"

## Why Have Permits?

Business permits and codes exist for 3 reasons:

- 1) To provide a level playing field among businesses.
- 2) To ensure that business districts have a positive ambience.
- 3) To protect the quality of life for residents in areas where businesses are close to homes.

The next question typically follows... Why is there a fee for a permit? The response is simple. The fees help fund the enforcement to ensure that the businesses not only comply but also gives businesses a direct point of contact when questions or problems arise.



# Survey Findings

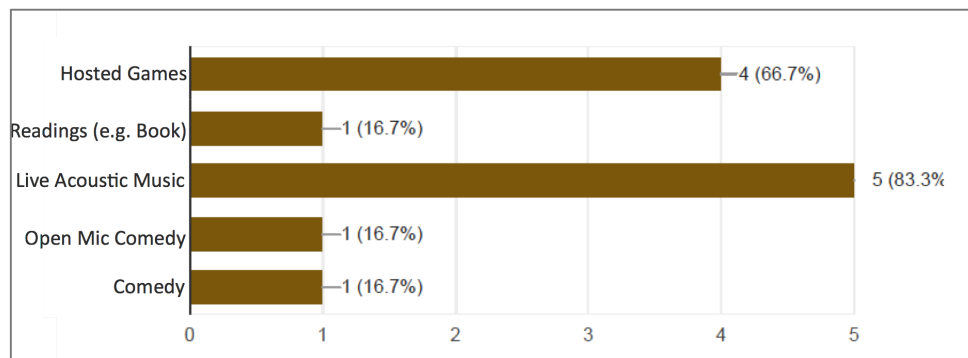
We surveyed the owners of the following businesses who have been impacted by recent code enforcement events:

- ☐ The Standing Room
- ☐ Hermosa Pub
- ☐ Brat and Brau
- ☐ Uncorked
- ☐ The Deck
- ☐ Pedone's Pizza
- ☐ Gum Tree

Survey is located @ <https://thrivehermosa.com/step-survey/>

Here are our findings:

*Table 1 Respondents answers for the type of entertainment options they would like to provide*



1. All expressed an interest in having low impact entertainment options to drive more business, and almost all liked the idea of a six-month permit providing it was easy to get and was a reasonable fee. Responses on what a reasonable fee ranged from \$200 per year, to \$250 per 6 months, to no more than \$50 per event. One respondent said that there should be no fee for charity events.
2. All owners would like to offer entertainment weekly or a few times a week. Therefore, the current Minor Special Even Permit option does not provide for the frequency these businesses would like.
3. Overall awareness of what the city allows/does not allow was inconsistent. Some owners were aware of the Minor Special Event Permits, while others did not know that was available. There was some misinformation about these permits. One owner was told that they were no longer offered, and another owner was told that the permit was \$500 per event. Some owners were not aware that non-advertised, non amplified acoustic background music with 1-2 performers was allowed without any permits.
4. The businesses were interested in all days of the week and at different times. For weekdays, some wanted to do early in the day, some 5PM – 8PM for the dinner hour, and others 8:00PM-9:30PM. For Friday – Sunday, there was interest in 12PM – 5PM.
5. Some interesting comments from some of the respondents:
  - “The city should be more supportive in earlier evening entertainment options for locals.”
  - “If the permit is created, then it needs to be VERY clear on exactly what is and is not permitted”

- Before they were told by code enforcement to cease their entertainment, here's what they experienced:
  - "Had game night on Tuesdays from 8-9:30pm and was very successful. Lots of locals."
  - "We are trying to provide an alternate source of entertainment on a slow low impact weeknight, other than go to the bars for entertainment. This is typically an older crowd and not big alcohol drinkers. It's a local Hermosa crowd."
  - "We lost a lot of families who previously came in during the week for dinner when Kevin Sousa was playing."
- Neither Los Angeles nor Long Beach charge a fee for game nights.

## THRIVE Hermosa Recommendations

Based on our research, we are making the following recommendations for the city to consider.

1. Currently, there is an exception in the municipal code that allows businesses to have "Acoustic, non amplified, non percussive background music provided accessory to an established on-site use during normal business hours by a maximum of two (2) persons without advertisement and without charge is excluded." Our recommendation is the city consider revising this exception to allow advertisement, games, readings, and comedy.
2. Implement a six-month pilot STEP (Short Term Entertainment Permit) project to allow businesses to have **low-impact**, amplified acoustic music, games, readings, and comedy with advertisement limited to 2 amplified entertainers/hosts at a time. For example, a 2-person acoustic duo would be allowed, open mic could have 5 performers in an evening but only 1 or 2 performing at the mic at the same time. Our recommendation is DJs be excluded as that tends to be high impact entertainment.
  - a. Permit hours: Monday through Thursday from business open until 10PM, and Friday through Sunday business open until 8PM.
  - b. We recommend a moderate fee of \$150 for this permit.
  - c. At the end of the 6-month trial period, city staff to report back on program success, and if successful, determine next steps to implement.
3. Revamp the City website under the "Business" tab to provide more guidance and information to businesses on permits.
  - a. Under "Business Licenses and Permits" add a link for Minor Special Event Permits. Those permits are currently listed under "Recreation and Community Resources" then "Special Events and Promotions." We need to make it easier for businesses to access the information.
  - b. In "Economic Development" there are two brochures for new businesses that mention permits for signage, but entertainment is not mentioned at all. Also, there are no active links to any permit information, just phone numbers and emails for people to contact. We recommend links to all permit information.
  - c. Create an FAQ/Cheat sheet for businesses and code enforcement on entertainment regulations that is easy to understand.
4. Create a publicly available database on the City's website, of all businesses/properties and their CUP options. CUPs vary by business/property and tend to be very specific. This should be searchable by CUP options (e.g. hours, entertainment, alcohol license). This information will be useful to our residents and current businesses and any future Economic Development projects.

# ***THRIVE* Hermosa Final Thoughts**

This process has been informative, enlightening and encouraging for those of us in the working group.

We appreciate the time and effort staff put into helping us sort out the complexities of the Hermosa Beach Municipal Code. A big thank you City Manager Sergio Gonzales, Ken Robertson, Kim Chafin and Yalini Siva for always having time to answer our questions. And a very special thanks to the local business owners who gave us honest feedback and took the time to collaborate with us.

We would welcome the opportunity to continue to work with City staff to discuss the survey results and recommendations.

Sincerely,

Claudia Berman, Barbara Ellman, Rick Learned , Sheryl Main

***THRIVE* Hermosa** - Short Term Entertainment Working Group