



Staff Report

File #: REPORT 18-0679, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of November 13, 2018**

**RESOLUTION ESTABLISHING A PERMIT APPLICATION FEE
FOR LIMITED LIVE ENTERTAINMENT**

(Community Development Director Ken Robertson)

Recommended Action:

Staff recommends that the City Council adopt the attached resolution establishing a permit application fee for Limited Live Entertainment (LLE).

Background:

On October 23, 2018, the City Council approved the Planning Commission's recommendation to adopt an ordinance establishing definitions, standards and procedures for granting an administrative permit for limited live entertainment. The Council also directed that a \$250 application fee be established for processing the permits.

Analysis:

The initial request for a Short-Term Entertainment Permit (STEP) was proposed by a local advocacy group, THRIVE Hermosa. The stated goal was for a simple, inexpensive permit to allow low impact, family-friendly entertainment in order to increase business during off-peak hours in all commercial districts. City staff worked closely with THRIVE Hermosa and the Planning Commission to develop definitions, standards and procedures. The City Council subsequently approved the Planning Commission's recommendation to amend the Hermosa Beach Municipal Code (HBMC) to establish definitions, standards and procedures for granting an administrative permit for what was ultimately named limited live entertainment (LLE) in the C-1, C-2 and C-3 commercial zones. LLE will be an accessory use to the main business, and the operational standards are as follows:

1. Hours: during normal business hours, but no earlier than 8:00 A.M or later than 9:00 P.M. daily.
2. Noise: cannot be audible on the exterior of the business premises and not permitted on outside patios, entries or sidewalks. All exterior doors and windows shall be closed during entertainment.
3. Uses: may include one or two performers/hosts using amplification, playing games, open mic, musical performances, poetry readings or other similar use that is not more objectionable than the listed uses. The Community Development Director is authorized to compare a proposed use and measure it against those listed for determining similarity.
4. Operations/Seating: the activity must be confined to completely enclosed premises and does not result in the need for additional seating or change in an approved floor plan to accommodate the limited live entertainment and/or accommodate a stage for the entertainment, dancing or hosting of an activity or event.

5. Limited live entertainment is an accessory use to the main business.
6. There shall be a maximum of two performers or hosts using amplification.
7. Prizes: any prizes awarded during an activity permitted by a Limited Live Entertainment administrative permit shall be limited to the prize limits stated in Section 5.12.100.
8. Must comply with all other applicable laws and agencies, including but not limited to California Department of Alcoholic Beverage Control and California Bureau of Gambling Control.
9. No organized alcohol drinking games are permitted.
10. Established maximum occupant load of the premises shall apply.
11. Permit may be revoked according to Chapter 17.55.70 of the Municipal Code pertaining to Administrative Permits.
12. Upon permit issuance, advertising of approved entertainment is permitted.

Based on the amount of staff time anticipated to process the application, an application fee of \$513 would be needed in order to cover the City's staff time for processing the permits. Although the Planning Commission did not make a formal recommendation because it is outside the Commission's purview, the consensus was that Council should consider a lower, subsidized fee. The City Council received public comment on the fee amount, and following discussion, unanimously directed staff to report back with a resolution establishing an application fee of \$250.

Additionally, the Planning Commission directed staff to bring this issue back for review to the Commission 18 months after the program is implemented, at which time the Commission will make a recommendation whether to continue, modify, or terminate the program. Since the ordinance specifies that no permit term shall extend past two years from the effective date of the ordinance, the Planning Commission's consideration will include the length of permit term.

General Plan Consistency:

PLAN Hermosa (the City's combined General Plan and Local Coastal Program) was adopted in August 2017. General Plan policies implemented by adoption of a low-cost LLE include:

- 1) *Governance 1.1 Open meetings. Maintain the community's trust by holding meetings in which decisions are being made that are open and available for all community members to attend, participate, or view remotely.*
 - a) The subject of application fees was discussed during public hearings by the Planning Commission and City Council, where public comment on the subject was taken into consideration.
- 2) *Governance 1.6 Long-term considerations. Prioritize decisions that provide long-term community benefit and discourage decisions that provide short-term community benefit, but reduce long-term opportunities.*
 - a) The subject of LLE and related application fees was prioritized in order to support local business by providing an opportunity to strengthen business retention.
- 3) *Governance 2.6 Responsive to community needs. Continue to be responsive to community*

inquiries providing public information and recording feedback from community interactions.

a) A local volunteer advocacy group, THRIVE Hermosa, initiated the discussion which culminated in the creation of an LLE permit and associated low-cost application fees.

4) *Governance 2.10 Value and recognize volunteers. As practical, utilize volunteers to assist with community programs and services and seek to utilize the professional/trade skills of volunteers.*

a) A local volunteer advocacy group, THRIVE Hermosa, initiated the discussion of what culminated in the creation of a LLE permit and associated low-cost application fees, and information THRIVE collected from the business community helped inform the establishment of the new use and permit.

5) *Governance 6.1 Long-term economic development. Support the development and implementation of long-term economic development strategies that seek to establish and keep new businesses and a strong middle class in Hermosa Beach over the decades to come.*

a) An LLE provides a low-cost opportunity that supports local business by providing an opportunity strengthen business retention.

Fiscal Impact:

The proposed \$250 application fee will cover approximately 49% of the City's anticipated \$513 staff costs to process an application.

Attachments:

1. Draft Resolution Establishing a Permit Application Fee for Limited Live Entertainment
2. Ordinance 18-1388 - Definitions and Standards for Limited Live Entertainment
3. Link to 10-23-18 City Council Meeting
4. Link to 9-18-18 Planning Commission Meeting
5. Link to 8-21-18 Planning Commission Meeting
6. Link to 6-25-18 Planning Commission Meeting

Respectfully Submitted by: Kim Chafin, Planning Manager

Concur: Ken Robertson, Community Development Director

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Suja Lowenthal, City Manager