



Staff Report

File #: REPORT 21-0374, Version: 1

Honorable Mayor and Members of the Hermosa Beach City Council Regular Meeting of June 22, 2021

STATUS UPDATE AND DISCUSSION OF OPTIONS FOR TEMPORARY EXPANDED OUTDOOR DINING AND RETAIL AND TEMPORARY LANE RECONFIGURATIONS IMPLEMENTED TO HELP BUSINESSES DURING THE COVID-19 PANDEMIC (Environmental Program Manager, Doug Krauss)

Recommended Action:

Staff recommends City Council:

1. Consider staff's assessment and provide direction on next steps for the temporary expanded outdoor dining and retail pilot program throughout all commercial districts and, if desired, continue program for a specified period (e.g. through the end of 2021) and direct staff to bring back an extended urgency ordinance as necessary to continue the program;
2. Consider staff's assessment and provide direction on next steps for the temporary lane reconfigurations in the downtown district on Pier Avenue and Hermosa Avenue and, if desired, continue program for a specified period, and direct staff to prepare a resolution to extend the program;
3. Provide staff direction regarding implementation of a reapplication and renewal process for businesses to continue the use of outdoor seating and retail areas, the re-establishment of encroachment fees as applied to dining areas in the public right-of-way prior to the temporary program, and whether to explore other possible fees for use of the public space;
4. Consider additional traffic counts of the downtown lane reconfigurations, appropriate \$3,000 from the Capital Improvement Fund to fund the work, and direct staff to implement these counts; and
5. Direct staff to conduct a continuing assessment of any pilot programs extended for a specified period for future consideration regarding a possible permanent or longer-term program.

Executive Summary:

Beginning in May of 2020, City Council approved a variety of initiatives to assist the business community during the COVID-19 pandemic. Specifically, City Council approved measures to allow businesses to expand outdoor opportunities for conducting business in response to restrictions on indoor dining and retail. These measures included adoption of an urgency ordinance allowing restaurants and other commercial businesses to operate outdoors, subject to a temporary permit. The City now permits these activities on private property, in the public right-of-way, including expanded areas on Pier Plaza and on sidewalks and streets.

In addition, based on City Council direction, staff developed a complementary program for more active and shared use of public streets to help downtown business outdoor dining and retail areas be safer and more inviting. City Council directed staff to move forward with lane reconfigurations on Pier and Hermosa Avenues in the downtown district, known as the “shared streets” program for a specific six-month implementation period ending in mid-July. The expanded outdoor dining and retail program does not have a specific expiration date, but is linked to the duration of City’s emergency order. A complete list of relevant orders is included as **Attachment 1**.

This report is a compilation of relevant data compiled from staff’s assessment of the programs, as well as feedback from downtown businesses and the community. This information includes recommendations and options for City Council to consider regarding the program’s continued implementation.

Background:

Expanded Outdoor Dining and Retail

The City has long supported and encouraged outdoor dining on private and public property to supplement indoor operations. With the onset of the pandemic and related health orders, businesses were limited to conducting business outdoors. Recognizing this hardship, City Council approved a program to allow expanded outdoor dining and other commercial activity. The City also suspended zoning and parking requirements and established a temporary encroachment permit program allowing encroachments into sidewalks, public streets, and Pier Plaza subject to a basic set of guidelines. These guidelines include:

- Hours limited to ending by 11:00 P.M.;
- Temporary furnishings to be brought in every night;
- Cleanliness;
- Alcohol service only with food service; and
- Insurance maintained by permittees.

The program has been important for continued business success and the vitality of commercial districts. The City has issued over 60 permits during the term of this program in a variety of commercial locations. **Attachment 2** contains a list of all the permitted locations, square footages, and number of parking spaces affected. To date, City Council has allowed these uses without consideration of any encroachment area rents, or reimbursement of lost parking meter revenue. Based on the terms of the urgency ordinance, these outdoor dining and retail permits are valid for the term of the City’s pandemic emergency declaration, or until terminated by City Council.

Lane Reconfigurations

At the May 12, 2020 City Council meeting, City staff presented an item describing a concept to repurpose sections of public right of way to improve multi-modal traffic safety and expand physical-distancing options for the public and businesses per Los Angeles County Health orders related to the

COVID-19 pandemic. The City Council moved quickly to accommodate these programs and staff developed guidelines based on information gathered from existing programs in other cities and internal review of policies and regulations.

City Council directed staff to work with the Economic Development Committee to explore aspects of the program that could directly benefit local businesses. At meetings in August and September 2020, City Council directed staff to move forward with design of lane reconfiguration concepts for both Hermosa Avenue and Pier Avenue. These concepts included removing one through vehicle lane in each direction, addition of a bike lane, installation of nine new on-street ADA accessible parking spots, and associated signage and pavement markings. At the October 27, 2020 meeting, City Council awarded a contract to perform the work. Work began in early January 2021 and was completed by January 16, 2021. The six-month duration of the project, as approved by Council, began at that point.

Since the completion of the lane reconfiguration project, six new on-street dining decks have been constructed, and most of previously existing dining decks expanded to take advantage of the additional space provided by the lane reconfiguration.

Past Council Actions

Meeting Date	Description
June 9, 2020	Approved Ordinance 20-1410U allowing temporary permit program for outdoor dining in response to pandemic
July 14, 2020	Directed staff to proceed with development of lane closure plans
August 11, 2020	Chose a lane configuration concept for Hermosa Avenue, extended it to 8 th Street, and provided a six month duration
August 20, 2020	Approved Resolution 20-7252 allowing lane closures in downtown
September 8, 2020	Chose a lane configuration concept for Pier Avenue
October 27, 2020	Awarded contract for construction of lane reconfigurations

Discussion:

Assessment

Staff has worked closely with a wide assortment of partners to monitor and assess the success of

the outdoor dining program and the impacts of the lane reconfigurations. These efforts are ongoing with an approach to allow the temporary pilot programs to adapt and improve and to help the City make informed decisions on possible long-term implementation. The monitoring efforts include the following:

- Frequent monitoring and documentation of concerns by Code Enforcement;
- Engaging traffic engineers both to assess the design for potential improvements and to monitor traffic volumes and patterns;
- Regular updates to, and input from, the Economic Development Committee and its stakeholder working group since their inception in June 2020;
- Walking tours of the downtown area to facilitate discussion between City staff and business operators;
- Additional recurring meetings with staff and a smaller group of business stakeholders to workshop program details;
- Regular communications with our neighboring agencies of Manhattan Beach and Redondo Beach which both implemented similar temporary outdoor programs; and
- Regular communications with staff from various City departments, including Police Department and the Los Angeles County Fire Department (LACoFD), on issues related to the programs.

In addition, the Hermosa Beach Chamber of Commerce distributed a survey to businesses in March 2021 seeking input on a number of issues concerning local businesses. The results of the survey showed that a majority of businesses supported the outdoor dining and lane reconfigurations. In this survey, 68 percent of downtown business respondents supported making dining decks permanent and 63 percent supported the lane reconfigurations enduring as long as dining decks remain **(Attachment 3)**.

Staff followed with a separate survey directed at residents and the community at large to gather opinions regarding temporary programs and whether they should continue. The survey gathered over 1,100 responses and indicated a general approval of the current temporary measures **(Attachment 4)**.

Adjustments

Many adjustments have been made to the program during implementation. These adjustments were deployed in response to specific feedback from participants in the program, as well as general feedback from the community as a whole. The City's Code Enforcement staff also provided the following list of common complaints received in response to the new outdoor programs:

- Overcrowding (Inadequate social distancing tables/customers);
- Usage after permitted closing time;

- Noise (Customers, TV's, and sometimes music);
- Alcohol being consumed without food service;
- Cleanliness and maintenance;
- Underutilized space (Limited operating hours);
- Aesthetically displeasing or inconsistent decks;
- Inadequate upkeep of traffic safety devices associated with on-street decks;
- Businesses changing their positions on permission for adjacent decks; and
- Loss of parking spaces, especially on public streets.

Regular conversations with Economic Development Committee stakeholders and discussions with individual deck operators have supported the need to address these concerns, as well as other nuances of the overall program. In response to this feedback, the following modifications have been implemented to improve success of the programs:

- Establishment of lighting and overhead structure guidelines for outdoor dining areas: anything over the public right of way, cords, umbrellas, shade covers must be a minimum 8' above the pavement;
- Exceptions to complete removal of furnishings each day;
- Reprogrammed traffic signal timing on Hermosa Avenue to improve traffic flow;
- Installation of a No Left Turn sign at 14th Street and Hermosa Avenue;
- Targeted placement and messaging for electronic message boards placed in and around downtown;
- Installation of sidewalk decals to help remind cyclists and skateboarders to avoid riding on sidewalks; and
- Streamlining the City's website to make parking availability information more user-friendly, especially for mobile digital devices.

Next Steps

As described, a majority of businesses and the community welcomes the continued use of outdoor public and private spaces for dining and retail. In combination with the recent allowance of live music, the outdoor dining has been widely acknowledged as enriching and enlivening the City's downtown area. Communications with neighboring cities, as well as cities from across the region, indicate that a majority of agencies are considering extension of outdoor dining programs in response to similar widespread community support.

In regard to the lane reconfigurations, there is not as clear a consensus of community opinion. However, per the community survey results (**Attachment 4**), nearly 61 percent of respondents support making them permanent along with 12 percent support to keep them in place through summer. Understandably, the reconfiguration has slowed traffic in the downtown area, particularly on busier weekends. Staff continues to monitor traffic conditions and has taken the following

measures to gain analytic data on the project's affects:

- Arranging for the traffic engineer that designed the project to visit the site on multiple occasions to assess potential adjustments; and
- Performing traffic counts on these streets and in surrounding neighborhoods before the project and while it was in effect to assess changes to volumes and traffic patterns (this is further explained below).

Staff has maintained communications with Hermosa Beach Police Department, Los Angeles County Fire Department, and McCormick Ambulance personnel to assess the project's impact on services, response times, and general mobility. The Police Department is unable to provide response time impact data specific to the lane reconfigurations. However, anecdotally staff reports multiple occasions where the response by the Police Department was inhibited due to the narrowed roadways. During times of moderate to heavy traffic, there is not enough space for motorists to yield to the side of the road when emergency vehicles are trying to respond along these corridors. Both Police and Fire personnel have needed to drive around or find alternate routes when responding to any calls for service along these corridors.

The City has a number of options to consider concerning outdoor dining and retail program and the lane reconfigurations. As mentioned above, City Council approved the outdoor dining and retail program for the duration of the pandemic emergency and the lane reconfiguration program for a six-month period ending July 15, 2021. Though much data and feedback has been gathered, an extension of these programs could allow a more thorough understanding of the project impacts. For instance, though there have been a few busy weekends thus far, monitoring the program through a busy summer season would be very instructive to illustrate the project's performance. The extended observation would also inform strategies for long-term adjustments, both in terms of traffic flow, but also how these programs affect the business community.

For example, regarding the impacts of the lane reconfigurations on traffic, our initial traffic counts were taken in January 2021 during the height of the pandemic when health orders had severely limited dining and retail activity. As seen in the most recent traffic volume counts performed in May 2021, traffic volumes are only now returning to "pre-pandemic" volumes (**Attachment 5**). These counts showed some interesting patterns including an increase of almost 60 percent in pedestrian traffic downtown and nearly 30 percent increase in bike traffic attributable to the lane reconfiguration. There was a 60 percent increase of vehicle traffic on 8th Street, between Hermosa Avenue and Monterey while also a 5 percent reduction in overall vehicle speeds in the downtown area. Performing additional traffic counts in coming months would provide a more accurate representation of the project's impacts at normal volumes.

The concerns most adamantly communicated by the downtown business community regarding the outdoor dining decks are reduced parking due to the dining decks, coordination with decks and

neighboring retail and service businesses, desire for signage on deck structures, and underutilization of decks. For this reason, it is recommended that City Council direct staff to revise the current permitting process to immediately address these concerns. No additional fees for the businesses would be included at this time, but staff would continue to explore incorporating fee structures into a more long-term program and for future City Council consideration, which would suggest fees dependent on whether the outdoor area is on private or public property and where the outdoor use area is located. The implementation of fees could not only offset City costs for lost parking revenue and encroachment fees, but also incentivize businesses to maximize use of their decks, especially in conjunction with the anticipated allowance of 100 percent indoor capacity of restaurants, per State and County health orders. The suggested immediate action would involve reapplication by all existing outdoor areas used for dining or retail to additionally incorporate:

- Renewal of applicant's permissions from neighboring businesses where decks encroach significantly upon the frontage of these other businesses. This would serve to reconfirm cooperation and coordination between businesses, especially in light of changing situations regarding health orders, capacities, etc. This process would allow a 45-day compliance window to allow operators to reconfigure or remove their decks if necessary;
- Placement of temporary signage on dining decks with restrictions on the content (business name only), size (2 feet by 2 feet maximum) and quantity (one sign per business except in cases where a deck is in front of another business and an additional identification sign is appropriate);
- Requirement of a surety bond of the deck operators to fund costs in the event the City should need to remove a deck due to maintenance emergencies or abandonment. The amount of the surety bond would be established by consultation with Public Works staff; and
- Establishment of limits on the duration a deck can stand unused (due to the business being closed, deck being under construction, etc.) to ensure right of way and parking spaces are being fully utilized. It is recommended that a 30-day maximum period of vacancy be established before the City would mandate removal of a deck.

The concerns most frequently shared by the community as a whole regarding the lane reconfiguration include traffic congestion or delays and coordination between vehicles, bikes, and pedestrians. Additionally, staff has received a number of comments about bikes and skateboards using sidewalks resulting in conflicts with pedestrians and dining deck staff and customers. To address these concerns, staff recommends scheduling additional traffic counts during summer to assess peak vehicle volumes and continue working with traffic consultants to assess design adjustments. This would also include continued use of signage and communications to educate and inform the community and visitors of safe and proper transportation practices.

Summary of Recommendations

- Extend the temporary programs (both outdoor dining and lane reconfigurations) for a definite period and direct to staff return to City Council after the end of summer to provide additional

information and data (Recommended actions 1 and 2 from above). This would include ongoing adjustments and improvements, as needed, and continuing data gathering to help inform future decisions. Staff would also bring an item back to City Council for the July 13, 2021 City Council meeting to ensure the outdoor dining and retail program, temporary suspension of zoning and encroachment requirement, and lane reconfigurations are extended via the appropriate ordinances and resolutions of the City Council (**Attachment 6**);

- Direct staff to return to City Council with an item to re-establish encroachment fees for the outdoor dining areas. The pandemic suspended the fees and allowed for expansion of the allowable encroachments. It is recommended that staff explore charging fees for lost parking meter revenue, as well as possible other fees related to use of the public right-of-way;
- If City Council directs staff to end the temporary lane reconfigurations, staff recommends a three-month period to accommodate this process. The process would include developing plans, advertising for a contractor, and performing the work. Should this option be chosen, it is recommended that Council direct staff to begin the process immediately to ensure that it could be accomplished in a timely manner while allowing decks that have expanded into the reconfiguration areas adequate time to reduce the footprint of their decks accordingly. Based on the cost of the initial lane reconfiguration, staff estimates a similar cost of approximately \$90,000 to return the area to its pre-reconfiguration state. Alternatively, the City Council could extend only certain components of the programs and, for the lane reconfigurations, could recommend removing the reconfigurations for either Pier Avenue or Hermosa Avenue only;
- Direct staff to implement a reapplication process, as described above, to improve short-term efficiency of the decks and ensure better coordination for the various needs of neighboring businesses and help prevent underutilization of the on-street decks; and
- Appropriate \$3,000 from the Capital Improvement Fund to fund additional traffic counts in the downtown area to establish a more thorough and representative data set which can then inform future decisions regarding the temporary lane reconfigurations.

General Plan Consistency:

The proposed program options match the model of “living streets”, also known as “complete streets”, and a key guiding principle of the General Plan Vision is to foster a vibrant local economy. A living street combines safety and livability while supporting ground floor and outdoor economic activities. This centers on designing streets that can be safely shared by both vehicular and non-vehicular traffic. A living street should also contribute to an engaging public realm and a vibrant local economy. Relevant Policies are listed below:

Governance Element

Goal 6. A broad-based and long-term economic development strategy for Hermosa Beach that supports existing businesses while attracting new business and tourism.

Policies:

- **6.4 Business support.** Support the Chamber of Commerce, retailers, tourist service businesses, artists, and other agencies to develop an aggressive marketing strategy with implementation procedures.
- **6.6 Pop-up shops.** Develop plans and programs for underutilized spaces, such as vacant buildings, utility corridors, parkways, etc., for temporary retail, restaurant, and community promoting uses.

Mobility Element

Goal 1. Complete Streets (Living Streets) that serve the diverse functions of mobility, commerce, recreation, and community engagement for all users whether they travel by walking, bicycling, transit, or driving.

Policies:

- **1.1 Consider all modes.** Require the planning, design, and construction of all new and existing transportation projects to consider the needs of all modes of travel to create safe, livable, and inviting environments for all users of the system.

Fiscal Impact:

Should City Council continue the pilot outdoor dining and retail program, the City would continue to forgo full cost recovery of parking revenues and encroachment fees unless directed to establish new fees accordingly. It is also recommended \$3,000 be appropriated from the Capital Improvement Fund to fund additional traffic counts in the downtown area.

Per Los Angeles County Public Health orders, City Council approved repurposing sections of the public right-of-way to improve multi-modal traffic safety, and increase physical-distancing for the public and businesses (a personal protective measure required for COVID-19 prevention) to have a safe opening and operation during the COVID-19 pandemic. Should City Council choose to end the lane reconfigurations, approximately \$90,000 would be charged to the COVID-19 division in the Federal Emergency Management Agency (FEMA) Fund to cover the design, construction, and management of the COVID-19 reopening project which is equivalent to the initial project implementation costs. City staff would seek reimbursement of the costs to end the lane reconfiguration as a part of the City's reopening expenses through the FEMA Public Assistance process as well as continue to assess the feasibility of the project costs being covered by other reopening and resiliency funding related to COVID-19.

Attachments:

1. COVID-19 Related Resolutions\Ordinances
2. Temporary Outdoor Dining Permit Log and Contact List
3. Chamber of Commerce Business Survey Results
4. City of Hermosa Beach Community Survey Results
5. Traffic Count Memo
6. Executive Order No. 2020-05

Respectfully Submitted by: Doug Krauss, Environmental Programs 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