



Staff Report

File #: REPORT 22-0373, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of June 14, 2022**

**APPROVAL OF ADDITIONAL REFINEMENTS TO TEMPORARY OUTDOOR
PERMIT PROGRAMS RELATED TO MAXIMUM ON-STREET DECK AREAS AND
DISCUSSION OF CHANGES TO PIER PLAZA ENCROACHMENTS**
(Environmental Programs Manager Doug Krauss)

Recommended Action:

Staff recommends City Council:

1. Approve the implementation of short-term refinements to the outdoor dining programs related to establishing maximum areas of on-street dining decks; and
2. Discuss and provide staff with feedback on potential changes to the temporary encroachment areas for Pier Plaza businesses.

Executive Summary:

At its May 24, 2022 meeting, City Council approved an extension through January 1, 2023 of the temporary outdoor dining and downtown lane reconfiguration programs that were created in response to the COVID-19 pandemic. Council also approved several program refinements to improve the program in the short-term. During the discussion, Council directed staff to seek additional policy refinements to address the impact on parking availability caused by the on-street dining decks. Staff recommends City Council approve additional program refinements to establish maximum on-street deck sizes to provide additional parking availability.

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 to allow outdoor dining on private property and established a temporary encroachment permit program to allow encroachments into sidewalks, public streets, and Pier Plaza. Both the private property programs and encroachment program (together, the "Outdoor Permit Program") include a basic set of guidelines addressing business hours, cleanliness, and maintenance.

The City issued over 60 permits during the term of the Outdoor Permit Program in a variety of commercial locations. Initially, City Council allowed these uses without consideration of any encroachment area rents or reimbursement of lost parking meter revenue. Pursuant to the urgency ordinances that established and later extended the Outdoor Permit Program, the program remains in effect until terminated or superseded by ordinance. In June 2021, Council approved extension of the pilot program through December 31, 2021 and authorized implementation of a reapplication process for outdoor dining areas.

At its December 14 2021 meeting, Council approved an extension of the programs through May 31, 2022. At its January 25, 2022 meeting, Council discussed implementing new fees for the temporary outdoor dining encroachments and approved a fee of \$1.50 per square foot per month to begin March 1. Four businesses decided to remove their on-street decks, one modified their deck area, and one sidewalk dining area was removed. None of the extended encroachment areas on Pier Plaza have been removed. Program revenues for the temporary encroachment areas are estimated to be approximately \$400,000 annually. At its February 8, 2022 meeting, Council also approved reinstatement of the prior permanent encroachment fees. These fees generate approximately \$280,000 annually.

Lane Reconfiguration

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 multimodal 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 (EDC) to explore aspects of the program that could directly benefit local businesses. At meetings in August and September 2020, Council directed staff to move forward with designs 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 a number of new on-street ADA accessible parking spots, and associated signage and pavement markings (hereafter, the “Downtown Lane Reconfiguration Program”). At the October 27, 2020 meeting, Council awarded a contract to perform the work. Work began in early January 2021 and was completed by January 16, 2021. As directed by Council, the lane reconfiguration was to be in place for at least six months starting from the completion date of the work and was to, therefore, operate until July 2021. At the July 13, 2021 meeting, Council approved a Resolution extending the Downtown Lane Reconfiguration Program through the end of the year. In December 2021, Council approved an extension of the program through May 31, 2022.

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.
June 22, 2021	Approved extension of the outdoor permit program through December 31, 2021.
July 13, 2021	Approved Resolution authorizing extension of lane reconfigurations.
October 26, 2021	Approved development and implementation of permanent versions of these programs.
December 14, 2021	Approved development of permanent programs, and extension of temporary programs through May 2022
January 25, 2022	Discussion and approval of new fees for temporary encroachments
February 8, 2022	Approved reinstatement of existing fees for permanent encroachment areas
May 24, 2022	Approved Urgency Ordinance extending program and new program policy refinements

Discussion:

At its May 24, 2022 meeting, City Council approved an urgency ordinance extending the programs through January 1, 2023 along with eight program refinements to be implemented immediately. These refinements related primarily to maintenance and aesthetic concerns with the decks. At this meeting, Council also provided feedback to staff on the general progress of the ongoing development of a permanent version of these programs.

City Council further directed staff to address the ongoing concerns over limited parking availability by exploring ways to reduce deck sizes or increase utilization of existing decks to ensure optimal parking conditions for the community and visitors. Staff now recommends implementation of a policy establishing limits on the number of parking spots an on-street deck can use. Specifically, this would limit decks to:

1. An individual business's on-street outdoor dining encroachment may only occupy a maximum of two parallel on-street parking spaces or three head-in parking spaces; and
2. In cases where the on-street outdoor dining encroachments are located entirely in front of the business frontage and no permission for use is required from a neighboring property, a business may occupy a maximum three parallel on-street parking spaces or four head-in on-street parking spaces.

Staff discussed this recommendation internally and with local business stakeholders and reassessed all on-street dining decks to ensure the effectiveness of this policy refinement. This program

refinement would apply to shared deck areas, as well as individually-operated decks. The change would address many of the ongoing parking availability concerns in the short-term and would include an immediate notice to the affected businesses with a deadline of July 15, 2022 to remove or modify existing decks to achieve compliance with this policy. Staff would continue to monitor existing and new deck installations to assess the effectiveness of this change to help inform the ongoing development of the permanent versions of these programs.

Staff also requests City Council feedback on the temporary encroachment areas provided for Pier Plaza businesses. Discussions with local businesses and stakeholders have raised equity concerns between the various temporary dining areas. These concerns include the amount of additional public right-of-way being made available and the fee structure applied to these encroachment areas. Discussions have included the possibility of reducing these temporary expanded encroachments or increasing the fees to an amount similar or equal to the fees applied to the previous permanent encroachments. These historic encroachment fees are shown in the table below:

Location and Hours	Fee per Square Foot
Pier Plaza, open after midnight	\$5
Pier Plaza, closed before midnight	\$2
Outside of Pier Plaza or snack shop	\$1

Staff requests City Council feedback regarding the additional refinements and possible direction to bring back more information or an agenda item at a future City Council meeting date.

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 Goals and 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.

Policy:

- **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.

Goal 7. A transportation system that results in zero transportation-related fatalities and which minimizes injuries.

Policy:

- **7.1 Safe public rights-of-way.** Encourage that all public rights-of-way are for all users at all times of day where users of all ages and ability feel comfortable participating in both motorized and non-motorized travel.

Fiscal Impact:

The \$1.50 per square foot fee approved by Council in January is estimated to generate approximately \$400,000 annually. If approved by City Council, establishing limits on the number of parking spots that an on-street deck can use would impact the square footage of the decks. The impact to the estimated encroachment fees is currently unknown. A revised 2022-23 revenue estimate would be provided with the 2022-23 Midyear Budget.

Additionally, reduction of temporary encroachment areas on Pier Plaza or an increase of fees for these areas would also impact revenue, although exact details are not known at this time. More information can be provided pending Council's discussion and direction.

Attachments:

1. Link to June 9, 2020 Staff Report
2. Link to July 14, 2020 Staff Report
3. Link to June 22, 2021 Staff Report
4. Link to July 13, 2021 Staff Report
5. Link to October 26, 2021 Staff Report
6. Link to December 14, 2021 Staff Report
7. Link to January 25, 2022 Staff Report
8. Link to February 8, 2022 Staff Report

9. Link to May 24 Staff Report

Respectfully Submitted by: Douglas Krauss, Environmental Program Manager

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Suja Lowenthal, City Manager