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**TO:** GENERAL COMMITTEE

**SUBJECT:** OUTDOOR PATIOS, BLADE SIGNS AND AWNINGS 2012 UPDATE

**WARD:** WARD 2

**PREPARED BY AND KEY CONTACT:** J. FOSTER, CITY CENTRE REVITALIZATION COORDINATOR EXTENSION # 4517 

**SUBMITTED BY:** C. LADD, CHIEF ADMINISTRATIVE OFFICER 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** C. LADD, CHIEF ADMINISTRATIVE OFFICER

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**RECOMMENDED MOTION**

1. That the City Centre Outdoor Patio Right-of-Way Activity Permit application and associated administration fee, current 2013 rate of \$396.50, as amended from time to time, be charged for each Outdoor Patio application.
2. That the lease rate of \$0.40 per square foot (SF) per month, be charged, for the lease of City sidewalk space for the purpose of an outdoor patio in the City Centre, in accordance with the Policy for Outdoor Patios on City Right-of-Ways, except for those applicants operating an outdoor patio in their first year.
3. That the parking rate fee of \$1040 per on-street parking space calculated at \$1/hour, 9am-5pm, Monday-Friday, between April 15 and October 15, when utilized for a temporary sidewalk to facilitate an outdoor patio on the City sidewalk in the City Centre, be eliminated.

**PURPOSE & BACKGROUND**

Report Overview

4. Staff is reporting back to General Committee after the 2012 outdoor patio season. It is being recommended that the ROWA, administration fee of \$396.50, as amended from time to time, and the lease of municipal sidewalk space at a rate of \$0.40/SF as per City policy, be charged for outdoor patio applications, with the exception of the sidewalk lease rate being waived in the first year of the outdoor patio business operation. It is being recommended that the required on-street parking spaces to accommodate extended sidewalks for the outdoor patios not be charged or be eliminated when facilitating an outdoor patio in the City Centre.
5. The Downtown Next Wave Community Improvement Plan (CIP) currently provides for possible financial incentives for applications for blade signage and awnings under the Facade and Signage Loan Program. The CIP would not provide financial incentives for outdoor patios or extended sidewalks.
6. The purpose of this staff report is to report to General Committee on the 2012 Outdoor Patio season and provide comments and recommendations for 2013.
7. On March 12, 2012, City Council adopted Motion 12-G-074, amended by Motion 12-A-037 regarding Outdoor Patios in the City Centre as follows:

"That staff investigate the feasibility of incorporating the Outdoor Patio, Blade Signage and Awning Program into an existing grant program such as the Facade and Signage Loan Program and the actual cost of lost revenue for a parking space, and report to General Committee on these matters in the fall/winter along with comments and recommendations following the 2012 season."

8. There were a total of 9 outdoor patios constructed in the 2012 season, two of which are not licensed, Second Cup and Lazy Tulip. There were a total of 19 on-street parking spaces utilized for extended sidewalks to facilitate the outdoor patios. Outdoor patios assist in promoting and contributing to the overall downtown cultural branding. They were popular both in the evenings as well as catering to the lunch time crowds.

### **ANALYSIS**

#### **Community Improvement Plan Financial Incentives for Outdoor Patios, Blade Signs and Awnings**

9. The Downtown Next Wave Community Improvement Plan focuses on the historic downtown, encompassing the Dunlop Street and Bradford Street corridors. The Plan encourages the revitalization of existing heritage buildings, as well as the intensified development of uses that promote linkages to the waterfront and add diversity to the defined Community Improvement Area. The Financial Incentive programs are listed below:
  - a) Tax Increment Grant Program – provides financial assistance to property owners for the rehabilitation of underutilized land and buildings which results in increased property assessment.
  - b) Application Fees, Permit Fees and Special Fees Grant Program – provides grants for planning applications and a percentage of building permit fees.
  - c) Adaptive Re-use and Upgrade to the Building Code Loan Program – allows for the upgrade to functionally obsolete or below standard buildings to bring them into compliance with the Ontario Building Code; to encourage the conversion of unused or underutilized space for the creation of office or commercial space; and to encourage the creation of residential accommodation.
  - d) Facade and Signage Loan Program – assists the upgrading, improvement and restoration of commercial buildings, exterior building facades to preserve the heritage look, character and scale. Also to promote unified updated signage for commercial properties in accordance with urban design guidelines and to replace signs that do not comply with City Bylaws.
  - e) An Artwork and Signage Loan Program – assists in creating signage murals or sculptures, and for artwork in publically visible areas of a property. This loan program would form part of the facade or adaptive reuse or upgrade to building code forgivable loan as referred to in c) and d) above.
10. Of the Programs listed above, applications can be submitted for Blade Signs and Awnings under the Facade and Signage Loan Program. Under the Program, successful applications could receive a forgivable loan of up to 50%, maximum \$25,000; however, there is a minimum payment of \$5,000. Therefore applications would only be considered for a minimum of \$10,000 of the total costs.
11. Currently there are 8-10 applications for financial incentives that have been submitted for consideration from available funds in the 2013 budget. After allocating existing committed funding, there remains approximately \$35,000 in the 2013 budget that would be available for new

applications, including the 8-10 applications received to date. The approval of these loans and allocation of the available \$35,000 is delegated to the Director of Planning, under the CIP Program. Given grant money availability, size and scope of project and prioritizing works, not all projects are or can be funded.

12. Loans/grants for Outdoor Patios and temporary sidewalks would not qualify under the Community Improvement Plan Programs. Once money has been provided by the City under the CIP Program, a lien is placed on the property to ensure the qualifying works remain on site; 20 years for a facade improvement and 10 years for an adaptive reuse project. Program funds are intended to be permanent and if the specified work is removed within the time period this would contravene the requirements of the program. Funds are allocated to private property owners for work on private lands.
13. Outdoor Patios and temporary sidewalks would not qualify under the CIP Programs, as they would not be considered permanent in nature. While they are considered an improvement to the Downtown and assist in linking the downtown to the waterfront, they are removed seasonally and are constructed on public lands.

Utilization of On-street Parking

14. The 2012 Parking Revenue – Cost Summary details have not yet been calculated at this time. However, as identified in the table below, staff is able to provide a high level summary of 2012 parking revenue and costs in order for comparison purposes to previous years. The figures used include on-street parking as well as off-street parking in parking lots. Revenue is actual revenue collected for the year. Costs include staff, collection and control for items such as maintenance and repair of equipment, new equipment, line painting, winter control, and cleaning (street and parking lot cleaning). An annual dept charge of \$965,000 for the Collier Street Parkade is included in the total cost.
15. Parking Revenues 2010-2012

Year	Revenue	Costs	Debt
2010	\$1.267M	\$1.607M	\$965,000
2011	\$1.230M	\$1.887M	\$965,000
2012	\$1.318M	\$2.012M	\$965,000

16. From the Table above, it is noted that revenue increased in 2012 by \$88,000. This could be attributed to more people in the Downtown due to the opening of the Mady Centre, outdoor patios, festivals and events.
17. From the OMBI 2011 Performance Data, the average on-street parking rate is \$1.00/hour. The gross parking revenue collected per paid parking space is \$588 in one year while the parking services operating costs per parking space managed is \$798. On average there is a loss of \$210 per parking space when operating and maintenance costs are factored in.
18. There are a total of 2,111 parking spaces in the Downtown, not including the waterfront parking lots; 890 on-street parking spaces and 1,221 spaces in parking lots. From the Multi-Model Active Transportation Master Plan – Technical Memorandum – Parking Study prepared by Genivar, dated December 2011 (Parking Study), on average, the parking utilization rate, during Monday to

Friday peak time is approximately 53%. Therefore there are 992 parking spaces in the Downtown that are not being utilized during the daytime peak.

19. In 2012, a total of 19 on-street parking spaces were removed from use from April 15 to October 15 in order to facilitate outdoor patios. There were 16 spaces utilized on Dunlop Street between Bayfield and Mulcaster; 2 spaces on Clapperton, between Dunlop and Collier; and 1 space on Maple Avenue, south of Dunlop Street. There are a total of 312 on-street parking spaces in the area between Bayfield and Mulcaster and Collier and Simcoe Streets.
20. Notwithstanding the City's objective to increase reliance on non-tax revenues and to establish fees that approach full cost recovery, staff is recommending that the on-street parking spaces required to facilitate outdoor patios not be charged. Although the City may not be receiving revenue for the parking spaces utilized by extended sidewalks to facilitate outdoor patios, given the low parking utilization rate in the Downtown, there is parking availability to accommodate displaced parking. The BIA is supportive of the outdoor patio initiative and its members are well aware of the potential for the displacement of parking.
21. If one on-street parking space is not available due to a temporary sidewalk extending into the parking space, people can find an alternative space as the supply exceeds demand currently in the Downtown. In order to facilitate, attract more people to the downtown daily, and promote downtown business and shopping, staff are recommending that the use of on-street parking spaces for temporary sidewalks not be charged, understanding that the public will find an alternative parking location and therefore revenue is not lost but realized elsewhere.
22. Staff recently met with the BIA and its members to discuss the Outdoor Patio program for the 2013 season. There are a number of business owners interested in participating in the program where numbers could approach 15-20 outdoor patios; however, the BIA and the business owners, especially the non-licensed businesses (which may represent 4 establishments in 2013), are concerned with the cost of the lease rate, \$1040 per parking space as it was felt that there are more than enough on and off-street parking spaces to absorb the redistribution of parking. Business owners identified that it requires about 4-5 times more food/beverage sales per cost of outdoor patio construction materials, insurance required and on-going maintenance and operation of the extended sidewalks, in order to recuperate the money spent. Business owners are making an investment in the downtown through the erection of outdoor patios and extended sidewalks, furthering the desired cultural downtown experience and bringing more people to the downtown. The British Arms identified that they invested \$27,000 in materials for the construction of the patio and extended sidewalk. The Second Cup invested \$12,000.
23. Using an example of a 245 square foot outdoor patio (average size of an outdoor patio constructed in 2012), an average of 2 parking spaces for the extended sidewalk at \$1,040/space, including the ROWA application and administration fee of \$396.50, and the lease rate for the sidewalk area to accommodate the outdoor patio at \$0.40/square foot/month, the cost is \$3,064.50 over the 6 month season. The BIA has identified that additional costs are incurred by the owners on a seasonal basis for additional insurance coverage, set up and take down of the structures, maintenance and depreciation and flowers and plants and their maintenance. This spending ranges from \$5,500 - \$11,000 over the course of the season, depending on the scale and size.
24. In order to continue to promote the outdoor patio program, furthering the downtown experience, given the low parking utilization rate currently at 53%, and the increase in parking revenue in 2012 by \$88,000, staff are recommending that the City not charge for the utilization of on-street parking spaces to facilitate an outdoor patio in the City Centre.

25. Last year Council approved the waiving of fees, with the exception of the processing and administration fee, for applicants in the first year of operation of the outdoor patio. The waiving of the fees is recommended to continue.
26. The BIA has committed an investment of \$10,000 for the 2013 season to promote outdoor patios through the Rock 95 radio station. Rock 95 will be on location at the various outdoor patios throughout the season on Thursday evenings, including 40 on-air announcements, on-site promotions and prizes. Snap magazine will also advertise the outdoor patio locations and provide photos in their publications.

### **ENVIRONMENTAL MATTERS**

27. There are no environmental matters related to the recommendation.

### **ALTERNATIVES**

28. The following alternatives are available for consideration by General Committee:

#### **Alternative #1**

General Committee could choose not to extend the outdoor patio initiative for the 2013 season and not allow outdoor patios on the municipal sidewalk nor the extension of temporary sidewalks onto the road right-of-way within the downtown.

This alternative is not recommended. One of Council's strategic priorities is to create a vibrant and healthy downtown. Outdoor patios enhance downtown ambiance, attract people which will increase the potential for higher spending, spur other business opportunities and attract more visitors to the downtown and waterfront.

#### **Alternative #2**

General Committee could alter the proposed recommendation by recommending full cost recovery to facilitate temporary sidewalks. Full cost recovery would include:

- Charging for the use of the municipal sidewalk per square foot of patio space in accordance with the policy for outdoor patios on City right-of ways at a rate of \$0.40 per square foot per month;
- Charging or leasing public parking spaces at a rate of \$1,040.00 per space for the April 15 to October 15 season;
- Charging ROWA application and administration fees of \$396.50.

Using a 245 square foot outdoor patio, the cost to the applicant would be:

- > \$0.40/SF/month to lease the municipal sidewalk for the patio, over 6 months = \$588.00;
- > An average of 2 parking spaces per outdoor patio = \$2,080;
- > Application fees = \$396.50
- > **Total = \$3061.50**, plus the applicant's cost for construction, depreciation, maintenance and cost of flowers and plants and their maintenance.

This alternative is not recommended, as the cost may prohibit certain business owners from constructing outdoor patios, which may inhibit the desired initiative, especially for those businesses that are non-licensed. In order to create a vibrant and healthy downtown, blade signage, awnings

and outdoor patios will assist in creating the atmosphere and desired culture that is envisioned for the downtown in attracting more tourism and visitors and increasing spending.

**Alternative #3**

General Committee could alter the proposed recommendation by waiving all fees including parking space, sidewalk lease rates and processing and administration fees.

Although this alternative is available, it is not being recommended as the Municipal Act allows a municipality to recover staff processing time and administrative costs for the outdoor patio ROWA permit. In addition, Council approved a policy for outdoor patios occupying the sidewalk at a lease rate of \$0.40/SF/month. While parking spaces are available elsewhere in the City Centre to accommodate spill-over parking, the sidewalk area will occupy additional patron space over and above that occupied inside the business. Additional leasable space can be charged by the City in accordance with the Policy.

**Alternative 4**

General Committee could alter the proposed recommendation by charging a blended lease rate for municipal sidewalk and on-street parking space by area. The size of a parking space is 5.5m (18feet) X 2.7m (8.9feet). This provides an area of 14.85m<sup>2</sup> (160SF). The lease rate of \$0.40/SF/month could be applied to both the sidewalk and parking spaces. Using the scenario of a 245SF size patio and 2 parking spaces (320SF) for a total area of 565SF @ \$0.40/SF would equal a lease rate of \$226/month or \$1,356 for the 6 month lease, plus \$396.50 for processing fees for a total of \$1,752.50.

Although this alternative is available, it is not being recommended at this time, in order to continue to promote the outdoor patio initiative and provide an incentive to entice repeat patios and additional ones. The parking utilization rate is 53% and therefore the supply of parking in the Downtown is well in excess of the demand. Staff does not consider utilization of the parking spaces for the outdoor patios to be lost revenue but rather, a redistribution as people could park elsewhere. The primary location for outdoor patios will be focused on Dunlop Street. A more pedestrian friendly and less vehicle oriented Dunlop Street has potential in the future. By promoting a more pedestrian oriented atmosphere on Dunlop Street could lead towards and contribute to better linkage between the downtown and the waterfront, through the utilization of the redevelopment and programming of Memorial Square and the increase in the number of outdoor patios.

Parking revenue increased in 2012, in part, attracting more people to the downtown as a result of outdoor patios. Outdoor patios have contributed toward the branding vision for the downtown. Business owners have made an investment in the construction material to facilitate the patios and extended sidewalks and the beautification of the downtown through floral display along the street within the construction of the extended sidewalks.

**FINANCIAL**

29. To date there have been no trip/fall claims as a result of the downtown patios or temporary sidewalks. All business owners are required to have sufficient insurance coverage for the outdoor patio where the City is named as an additional insured on the individual policies.
30. In 2011 there were 2 patios constructed late in the season, British Arms and Manhattans. At that time there were 3 fees collected; administration fee - \$100; Licence fee of \$147.50; and a ROWA fee of \$87.91 for a total of \$335.41/patio or a total of \$670.82 for the year. Other fees for lease of the sidewalk @ \$0.40/SF/month, Encroachment Agreement @ \$477.00 and lease of parking spaces @ \$1040/space were waived in the 2011 pilot year. If all fees were collected from British Arms and Manhattans, the total cost for both would have been \$5459.22. See Chart in Appendix A.
31. In 2012, there were 10 outdoor patios that were applied for, however 9 were constructed. The application process was revised into one application which combined the applications for ROWA and administration, Business Licensing and Encroachment Agreement into one ROWA application specific to outdoor patios. An inspection by Roads staff for the as-built extended sidewalks was added for a total ROWA fee of \$344.00. Therefore the total fee payment for the 10 patios was \$3440. Fees associated with the lease of the sidewalk and on-street parking spaces were again waived for applicants operating in the 2012 year (or the first year of operation).
32. It is estimated that there may be 15-20 patios constructed in 2013. Using 15 patios, it is estimated that 30 on-street parking spaces may be required (average 2/patio). Given the staff recommendation to charge for the ROWA and the lease of sidewalk space, but not on-street parking spaces, the total fees anticipated to be collected in 2013 is \$14,768.
33. Staff are recommending that the on-street parking rate of \$1040/space for 6 months be eliminated when facilitating an outdoor patio as parking revenue increased by \$88,000 in 2012 from 2011, potentially due in part through the attraction of more people to the downtown for outdoor patios. The parking utilization rate at day time peak is 53% and therefore there is a large volume of parking supply that could be utilized in the downtown due to displaced parking as a result of patios and extended sidewalks.
34. Business owners are making an investment in the downtown through their contribution to outdoor patios that are desirable, promote the downtown and further Barrie's downtown branding.

**LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN**

35. The recommendation included in this staff report support the following goals identified in the 2010-2014 City Council Strategic Plan:
  - Create a Vibrant and Healthy City Centre
36. The facilitation of outdoor patios, blade signs and awnings has and will continue to actively promote the downtown and attract a greater number of residents and visitors to the downtown for shopping, dining, business activity and to the waterfront for recreational enjoyment. It will encourage a mix of land uses by allowing food and beverage establishments to expand their offering onto the sidewalk for an outdoor dining experience. These initiatives are being promoted by the BIA and supported by staff which will assist in downtown promotion and revitalization.

APPENDIX "A"

**Outdoor Patios Fees – 2011-2013**

Year	No. of Patios	Total Square Footage	ROWA + Admin	Sidewalk Lease (6 months)	Parking Space Lease (6months)	Encroachment Agreement	Business License	Total Fees	Total Fees Collected	Difference
2011	2	381SF	\$175.82	\$914.40	\$3120 (3 spaces for British Arms)	\$954	\$295	\$5459.2 2	\$670.82	\$4,788.40
2012	10 patios total, ROWA fees collect for 10 patios, however only 9 built	2207SF	\$3440	\$5296	\$19,760 (19 parking spaces)	\$0	\$0	\$28,496	\$3440	\$25,056
2013	15	3675SF (average patio area of 245SF from 2012)	\$5948	\$8820	\$29120 (28 parking spaces estimated)	\$0	\$0	\$43,888	\$14,768 (based on 2013 recommendation)	\$29,120