

AGENDA ITEM
12B

Date: August 31, 2020

Council Action Date: September 8, 2020

TO: Honorable Mayor and City Council

FROM: Alex D. McIntyre, City Manager

SUBJECT: Approve Outdoor Business Expansion and Continuation of Main Street Moves

SUMMARY

The City of Ventura is facing one of the greatest economic impacts of recent history. Many Business sectors have been forced to reduce and/or modify their operational capacity, leaving many with only an option to operate outdoors. The Temporary Outdoor Business Expansion Program is currently set to expire on September 15, 2020. An extension of the Program is required to support local commerce.

RECOMMENDATION

- a. Extend the Temporary Outdoor Business Expansion Program through February 15, 2021 or by the conclusion of the Emergency Health Order, whichever comes first.
- b. Provide feedback to Downtown Ventura Partners regarding site guidelines for the Temporary Outdoor Business Expansion Program.
- c. Direct staff to return to City Council with summary of transportation and public safety costs related to the continuation of Temporary Outdoor Business Expansion Program in November 2020.

DISCUSSION/ANALYSIS

On May 18, 2020, City Council provided feedback and approved the concept of allowing businesses to reopen with outdoor expanded areas in order to assist with the COVID-19 safety protocol compliance. On June 15, 2020, City Council approved the Temporary Outdoor Business Expansion Program (Program) and adopted a resolution to temporarily

waive special event permit fees and reduce insurance requirements. On July 13, City Council extended the Program through September 15 and requires City Council approval to extend beyond that date.

In a recent poll of businesses conducted by Downtown Ventura Partners, there was overwhelming support for the continuation of the Program through the end of the year. Results showed that the program is supported by:

- 71% of Restaurants
- 54% of Retail stores
- 89% of Office or service businesses.

On August 28, new guidance issued by Governor Newsom outlined a tiered approach to reopening businesses, signaling a need to continue outdoor operations for the foreseeable future. The tiers indicate the level of restrictions that must be in place and are determined by the prevalence of COVID-19 cases in the community. As communities reduce transmission, more restrictions are lifted. Ventura County is currently at the Tier 4 level, the most restrictive tier, indicating that some restrictions may be in place for several months.

Costs Incurred

The City has contributed 655 staff hours, totaling \$32,555 in personnel costs, to support ongoing operations for local businesses. Total permit fee waivers related to this staff work have totaled \$36,658. The fee waivers have allowed for businesses to more easily participate and operate their business. Fees that are currently being waived include review and processing of permits by staff from Fire, Police, Public Works, Parks and Recreation, and Community Development. The table below summarizes the foregone revenue from fee waivers as of August 28, 2020.

Permit Fee	Department(s)	Fee	Permits Issued	Total
Application Fee	All	\$250	88	\$22,000
Inspection / Plan Review	Fire	\$210	49	\$10,290
Site Inspection	Bldg. & Safety	\$168	6	\$1,008
				\$36,658

Additionally, costs associated with providing adequate public safety measures to support the Program are shown below. This includes foregone revenue from deactivating parking meters to promote Downtown commerce.

Item	Description	Cost to Date
Safety Signage	Signs, banners, and barricade wraps communicating COVID safety measures for wearing masks and maintaining social distance. These costs are offset through FEMA and DVP reimbursements.	\$9,001
Parking Meter Fees	In March, staff deactivated parking meters to encourage commerce Downtown. Meters remain off at an estimated average cost of \$47,717 per month.	\$279,926
Barricades	Barricades were purchased and partially offset by a Homeland Security Grant of \$90,000.	\$135,000

Program Extension

In consultation with DVP, staff recommends extending the Program through February 15, 2021. This would allow businesses to remain operational during the holiday season and through Valentine’s Day Weekend, a high-commerce holiday.

Outdoor Business Expansion Program permits require compliance with COVID guidelines and are revocable by the City. If changes in the health guidance affect the effectiveness of the Program, the City may discontinue it at any time.

Currently, there are cost uncertainties as it relates to reimbursable expenses, additional public safety measures, and foregone revenues. For the City Council to fully understand the financial impacts from extending the Program through February 15, 2021, staff recommends returning to City Council in November 2020 to evaluate the costs associated with maintaining the Program.

Previous City Council Requests

As part of the November discussion, staff would present information related to previous City Council requests and the cost uncertainties. These include:

- **Bollards** – On July 13, City Council directed staff to research the cost of permanent bollards for downtown. Public Works staff is currently seeking two quotes for both the bollards and cost of installation.
- **Foregone Parking Revenues** – In March, the City deactivated all parking meters Downtown to promote local commerce. Some of the on-street parking stalls are within the Main Street Moves site and are unavailable for use. However, many of the stalls are located on sidestreets and can be reactivated at any time. Staff is awaiting guidance from the Downtown Parking Advisory Committee (DPAC)

regarding the reactivation of the side street meters. The item is agendaized for the September 10 DPAC Meeting.

- **Reimbursable Expenses** – While staff recognized the possibility in previous reports of receiving federal funds to assist with business recovery activities, it currently does not appear likely that the City will receive any additional funds beyond the \$1.3 million of CARES Act funding that was allocated to Ventura by the State. The CARES Act funding shared by the State is helpful, but it is only projected to cover a small portion of the City’s costs related to responding to the COVID-19 Pandemic. For the November discussion, staff would return with a summary of reimbursable and non-reimbursable costs.

Site Guidelines

Many businesses are interested in further investment to their outdoor areas as they prepare for the Fall and Winter seasons. While we have guidance for public safety compliance, we do not have guidance for site aesthetics. To maintain safety and a consistent appearance, site guidelines will need to be developed.

DVP is currently working on developing site guidelines, so Downtown businesses have ample time to plan and make accommodations for colder temperatures and reduced daylight hours. There are elements of the site guidelines that DVP would like City Council input on. These include, but are not limited to:

- Lighting standards, including color temperature, brightness, and placement
- Siding materials for outdoor dining
- Warming equipment, such as overhead or rollaway heating units.

After receiving City Council feedback on these items, DVP will develop a site guideline proposal and return to Council for approval. Per City Council direction, the site guidelines could be applied Citywide for Temporary Outdoor Business Expansion Program participants.

FINANCIAL IMPACT

The table below summarizes the financial impact of the unbudgeted expenditures and lost revenues related to the business expansion program to date. The personnel costs (\$32,555) mentioned earlier in the report are not included below. Since permit fees are designed to cover the City’s costs of administering the permits, including the personnel costs related to those permits would cause the true financial impact to be overstated.

CURRENT FINANCIAL IMPACT FOR BUSINESS EXPANSION PROGRAM			
FUND	ITEM	AMOUNT	BUDGETED
General (01)	Waived Cost Recovery Fees for Permits	\$36,658	NO
General (01)	Current Cost for Barricades and Signs	\$144,001	NO
Parking (01)	Waived Parking Fees	\$279,926	NO
TOTAL IMPACT		\$460,585	
OFFSETS (Homeland Security Grant, FEMA, & DVP)		(\$99,001)	
NET IMPACT –		\$361,584	

ALTERNATIVES

Discontinue the business expansion program at a date determined by City Council.

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