



Council Agenda Report

Item 6a

Department: Public Works
Cost Center: 5010
For Agenda of: 7/5/2022
Placement: Public Hearing
Estimated Time: 90 Minutes

FROM: Matt Horn, Public Works Director
Prepared By: Adam Fukushima, Active Transportation Manager

SUBJECT: INTRODUCE AN ORDINANCE TO AMEND TITLE 5, CHAPTER 5.50 (SIDEWALK CAFES) TO ADD CHAPTER 5.51 (PARKLETS), AND APPROVE THE OUTDOOR DINING GUIDE

RECOMMENDATION

1. Introduce an Ordinance entitled, “An Ordinance of the City Council of the City of San Luis Obispo, California, amending Title 5 (Licenses, Permits, and Regulations) of the Municipal Code to amend Chapter 5.50 (Sidewalk Cafés) and add Chapter 5.51 (Parklets)”; and
2. Adopt a Draft Resolution entitled, “A Resolution of the City Council of the City of San Luis Obispo, California, approving the City of San Luis Obispo Outdoor Dining Guide and adopting new fees for parklets, sidewalk cafes, and tables and chairs permits.”

POLICY CONTEXT

Parklets have been allowed as temporary installations during the City’s pandemic response effort in support of local businesses. On May 22, 2020, the City Council adopted [Resolution No. 11118 \(2020 Series\)](#) authorizing implementation of the “Open SLO” pilot program. The Open SLO program deployed a variety of strategies to allow more flexible use of City right-of-way to support public health and economic recovery during the throes of the COVID-19 pandemic, including temporary street closures, use of Mission Plaza for public outdoor dining, more flexible approvals for sidewalk dining, and temporary installation of parklets.

As currently approved via City Council [Resolution No. 11264 \(2021 Series\)](#), activities related to the Open SLO pilot program, including issuance of temporary parklet permits, may continue up to and no longer than one year following termination of the proclamation of a local emergency related to the COVID-19 pandemic. However, based on direction provided at a Council study session in July 2021 ([Council Agenda Report](#) and [Minutes](#)) and extensive public outreach and stakeholder input, staff is proposing adoption of a codified and ongoing parklet program with a transition to ongoing parklet design requirements and use fee schedules prior to that date.

The development of a permanent parklet program has been an established City policy goal identified in the Active Transportation Plan as a strategy to support local economic development to activate the public realm by creating pedestrian-oriented spaces and to provide social settings that reflect open air opportunities to gather which are increasingly popular post pandemic.

REPORT-IN-BRIEF

This staff report summarizes the proposed parklet program details and policy updates to implement a permanent program that also refines the City's existing sidewalk dining program based on direction provided by Council at the July 2021 Study Session.

The following documents to achieve this permanent parklet program are included with this report:

1. Attachment A includes the **draft ordinance amending the City Municipal Code to add a new Chapter** under 5.51 - Parklets, with amendments to the existing Chapter 5.50 (Sidewalk Cafes) provisions for sidewalk dining.
2. Attachment B includes a **draft resolution** approving (a) proposed fee schedules for parklets and sidewalk dining in the public right-of-way, and (b) approving the City of San Luis Obispo Outdoor Dining Guide, a comprehensive manual to assist business owners and City staff with implementation of the outdoor dining program.
3. Attachment C, **Outdoor Dining Guide**, describes parklet and sidewalk dining design standards, application and permitting process, and operating requirements and is incorporated by reference in Attachment B.

The program as proposed is based on significant public outreach conducted by staff including coordination with the Active Transportation Committee, Chamber of Commerce, Downtown SLO, a public workshop and the Open City Hall online platform.

DISCUSSION

Background

As mentioned previously, in direct response to the health and safety needs, and in support of local businesses, on May 22, 2020, the City Council adopted Resolution No. 11118 authorizing implementation of the "Open SLO" pilot program. The Open SLO program deployed a variety of strategies to allow more flexible use of City right-of-way to support public health and economic recovery during the COVID-19 pandemic, including temporary street closures, use of Mission Plaza for public outdoor dining, more flexible approvals for sidewalk dining, and temporary installation of parklets. At the peak of the pandemic there were 100 parking spaces occupied by parklets. Today there are currently 50 spaces occupied by parklets and an additional 16 spaces have been transitioned to passenger loading.

As currently approved via City Council Resolution No. 11264 (2021 Series), activities related to the Open SLO pilot program, including issuance of temporary parklet permits, may continue up to and no longer than one year following termination of the proclamation of a local emergency related to the COVID-19 pandemic. However, the termination date has not yet been determined. Based on direction provided at a Council study session in July 2021 and extensive public outreach and stakeholder engagement, staff is proposing adoption of a permanent parklet program, with a transition to permanent parklet design requirement and use fee schedules prior to that date, as described herein.

While parklets have been allowed as temporary installations during the City's pandemic response effort, development of a permanent parklet program has been an established in the Active Transportation Plan not only as a strategy to support local economic development, but also to activate the public realm by creating pedestrian-oriented spaces worth walking to. At a Study Session held on July 20, 2021, Council provided direction on how to proceed with a variety of Open SLO activities beyond the pilot program, including the future of parklets. The specific direction was to:

- a. Return to Council with proposed policy framework to establish a permanent parklet program, including establishment of minimum design standards and operating requirements to encourage more frequent activation and upkeep of parklet installations.
- b. Apply a use fee for all forms of outdoor dining within the public right-of-way, including parklets, sidewalk cafes and sidewalk tables and chairs permits.
- c. Tailor parklet and sidewalk dining design standards to allow for creative design and flexibility, while fostering high-quality installations that complement the character of their surroundings.
- d. Allow more flexibility to support expanded sidewalk dining beyond pre-COVID levels but ensure that sufficient sidewalk clearances are preserved to meet accessibility standards and pedestrian throughput needs.
- e. Avoid parklet and sidewalk dining installations that encroach upon or impede the view of adjacent properties without the consent of adjacent business/property owners.
- f. Develop an outdoor dining application and approval process that is straightforward and efficient and consider transitioning to a full use fee incrementally over multiple years allow for ongoing economic recovery of local businesses impacted by the COVID-19 pandemic.
- g. Maintain the current one-way configuration established as an Open SLO pilot project on Monterey Street between Morro and Chorro Streets as an interim configuration until otherwise directed by the Council or until sufficient resources allow for implementation of the long-term concept identified for Monterey Street in the Downtown Concept Plan.

This staff report summarizes the proposed program details and policy updates to implement a permanent parklet program and refine the existing sidewalk dining program based on direction provided by Council at the July 2021 Study Session. Attachment A includes the draft ordinance amending the City Municipal Code to add a new Chapter 5.51 (Parklets), with amendments to the existing Chapter 5.50 (Sidewalk Cafes) provisions for sidewalk dining. Attachment B includes a draft resolution approving (a) proposed fee schedules for parklets and sidewalk dining in the public right-of-way, and (b) approving the City of San Luis Obispo Outdoor Dining Guide, a comprehensive manual to assist businesses owners and City staff with implementation of the outdoor dining program. The Outdoor Dining Guide, included as Attachment C, describes parklet and sidewalk dining design standards, application and permitting process, and operating requirements.

Outdoor Dining Program Overview

The proposed outdoor dining program was developed with the following goals in mind:



A. Eligible Applicants (Location or Group Type)

Eligible applicants for parklet and sidewalk dining permits generally fall into one of two categories:

1. A fronting property owner or ground-floor business using the space to expand outdoor dining (e.g., restaurants, cafes, bakeries, drinking establishments serving food and/or with applicable Alcoholic Beverage Control approvals, etc.)
2. A non-profit or community organization proposing to establish outdoor public seating not for commercial use. This aspect of the program was included in response to Council's suggestion at the study session to look for a non-profit use option within the program.

B. Design Standards

The parklet design standards were developed based on several sources including existing parklet design guidelines in the Active Transportation Plan, parklet design guidance from Caltrans, National Association of City Transportation Officials (NACTO), other cities with parklet programs, and staff's experience from the Open SLO pilot parklet program. These design standards identify eligible locations for parklets and sidewalk dining, minimum design requirements, parklet surfaces, drainage, end and side barrier treatments, accessibility and safety requirements for guiding outdoor dining installations in the public right-of-way. Key design elements defined in the Outdoor Dining Guide include the following:

- a. **Eligible Streets:** To minimize conflicts between parklet users and passing traffic, parklets are only eligible on streets with a posted speed limit of 25 mph or less with on-street parking. Parklets will not be permitted within existing accessible parking stalls. Parklets proposed at locations with existing commercial loading (yellow curb), pedestrian loading (white curb), or no-parking (red curb) zones are generally discouraged and may only be considered at the discretion of the City Transportation Division, Parking Division, and Fire Department. Applications will be denied where parklet proposals are determined to negatively impact safe traffic operations and vehicle clearances, impede emergency response access, or significantly reduce pedestrian and commercial loading capacities
- b. **Sidewalk Clearances:** Parklet and sidewalk dining installations must retain a minimum of 6 feet unobstructed clear width for pedestrian travel, including any existing obstacles such as street furniture, trees, and sign posts. While approximately four feet is the minimum gap required under the American with Disabilities Act, six feet is recommended to allow for some "wiggle" room in terms of chairs and tables that inevitably get moved during the course of the business day by patrons or others so that minimum ADA distances are maintained. Six feet will likely mean that many tables and chairs on the sidewalks today will need to be removed and will likely curtail the number of outdoor dining spots.
- c. **Encroachment into Neighboring Frontage:** No parklets or sidewalk dining installations may encroach into neighboring property frontages without written consent from both the fronting business owner(s) and property owner(s).
- d. **Parklet Side Buffer Elements:** To increase visibility and protection on sides of a parklet perpendicular to traffic, a minimum 3-foot (4-foot preferred) buffer and curb stop is required. Parklets at the end of intersections or where otherwise required by the Public Works Director will need to also provide a heavy barrier (or weighted planter box) that is minimum 6 feet wide, 32 inches high, able to resist a force of at least 500 lbs. To enhance visibility, reflective flex posts are required at the outside corners of the parklet area.

- e. **Parklet Roadway Buffer Elements:** To minimize conflicts with vehicular and bicycle traffic, parklet structures must maintain at least a 1-foot buffer along the roadway between the adjacent auto lane or bike lane. In addition, a minimum 10-foot-wide auto lane or 5-foot-wide bike lane must be retained adjacent to the parklet. Planters may be placed in the 1-foot buffer area but may not be higher than 30 inches in height so that conflicts with the handlebars of passing bicycle riders are minimized.
- f. **Setbacks:** To preserve clear sight lines, parklets shall not be located within 10 feet of a driveway, pedestrian ramp, or within 15 feet of an intersection unless approved by the Public Works Director.
- g. **Vertical Elements:** Parklets must have a continuous vertical barrier along the side adjacent to the travel lane that has a height of 42 inches maximum and able to withstand a force of 250 lbs.
- h. **Surface/Decking:** To comply with City and Americans with Disabilities Act standards for sidewalk grades, the surface must maintain a cross slope of no more than 2 percent as well as be non-slip and weather resilient. Parklets must retain a clear drainage area along the gutter line.
- i. **Bike Parking:** During the pilot program, on-street bicycle parking has been incorporated into many of the parklet locations that occupy two or more parking spaces and staff is recommending that this practice continue.
- j. **Shade Structures and other Vertical Elements:** While tents (including EZ-Up style tents) were permitted during the pandemic period, tents and other temporary shade structures are not permitted within parklets under the permanent program. Umbrellas may be used as long as they do not conflict with sidewalk clearances or outdoor heating appliances, while formal awnings and parklet roofing systems may be considered with designs and structural calculations provided by a licensed professional to the satisfaction of the Chief Building Official. Vertical elements may not impede visibility of nearby traffic control devices/signs or adjacent building displays. In addition, awnings or umbrellas must be maintained and the City has the discretion to require replacement due to fading, damage, etc.
- k. **Portable gas (LPH) heating appliances:** Portable gas heaters may be used within parklets and outdoor seating areas but cannot be located beneath or closer than 10 feet to canopies/tents, and 5 feet to umbrellas or similar combustible materials per California Fire Code. Propane tanks may be stored on site but must be in an approved enclosed area of the installation to the satisfaction of the Community Development and Fire Departments.

As part of the application process, applicants will be required to submit a site plan rendering showing adherence to the design standards. See Figure 1 for an example site plan rendering.

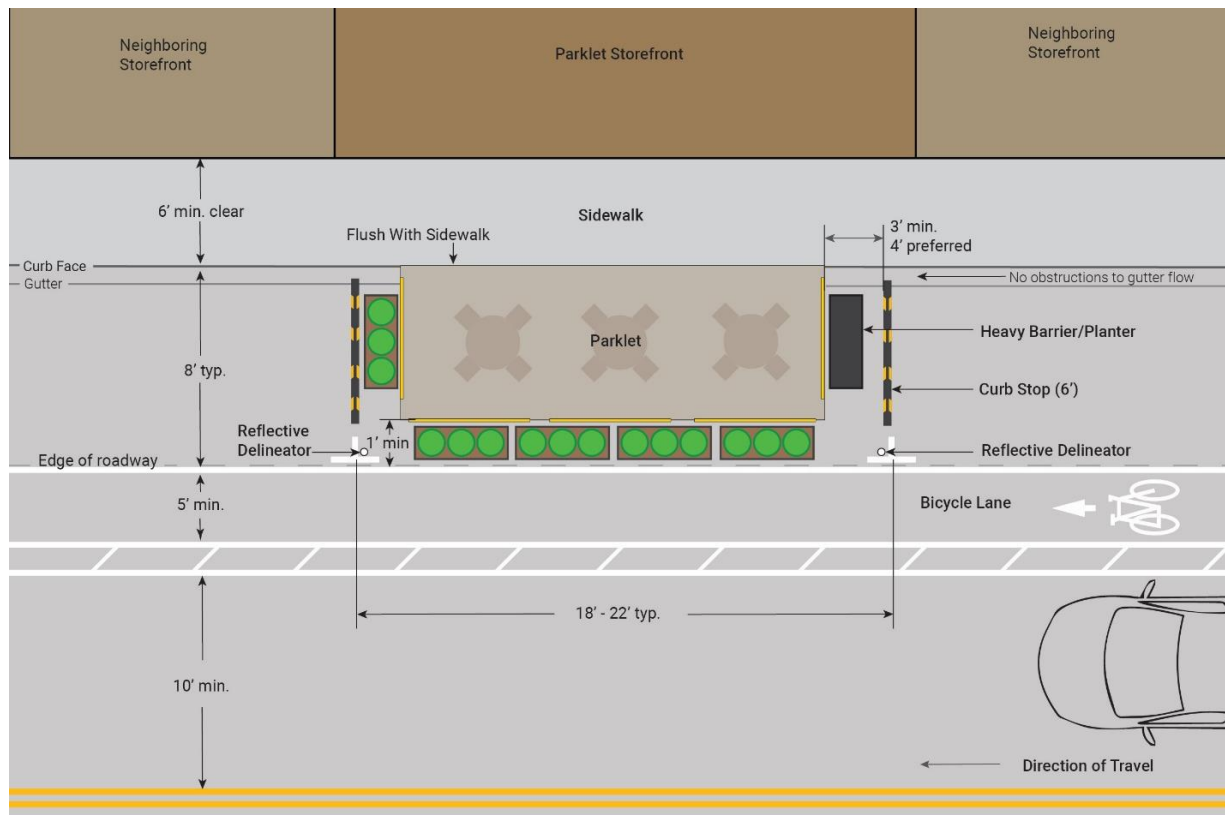


Figure 1: Example Site Plan Rendering

C. Operating Requirements

Operating requirements for parklets have been developed on similar guidance to the design standards with additional consideration for consistency, as much as possible, with the operating standards of the current Sidewalk Café program. Main highlights of the operating requirements include the following:

- a. **Path of Travel for Pedestrians:** A minimum width for path of travel on the sidewalk ensures that pedestrians are able to walk through a parklet area without encountering friction with tables, chairs, and other dining features. Prior to the pandemic, the City standard was a minimum of 8-foot width. During the pandemic, the City was willing to relax that requirement to the federal ADA minimum standard of 4-foot width in order to support economic recovery as much as possible. However, moving forward to a permanent parklet program, staff is recommending a minimum width of 6 feet. In addition, no host stations, cleaning equipment carts, or other dining features will be allowed in the public right-of-way without approval by the Public Works Director.
- b. **Maintenance:** As part of the parklet permit, applicants will be required to keep the area under, around, and on the parklet free of debris and cleaned on a regular basis. Parklets and sidewalk dining areas must be kept clean and in a state of good repair.

- c. **Activity:** Public input has reflected a desire to ensure parklets are not sitting idle and therefore staff is studying what the appropriate minimum activation period is that balances both the public's desire for maximum activity as well as the needs of businesses who are still struggling with staffing issues. Staff is currently recommending a minimum use of 4 hours per day, 5 days per week and welcomes input on this recommendation should Council have a require for more activation requirements.
- d. **Alcohol:** As with the current sidewalk café program, alcohol is allowed by a restaurant if it is permitted by the State Alcohol Beverage Control.
- e. **Elements in the Public Right of Way:** Due to the need to provide adequate ADA clearance and minimize pedestrian friction through an area of a parklet, no host stations, cleaning equipment carts, outdoor signage/displays or delineated customer queuing areas may not be located within the public right-of-way, unless otherwise approved in writing by the Community Development Director

D. Amendments to Sidewalk Café Ordinance

With the adoption of a parklet program, several minor amendments to the existing sidewalk café program are recommended in order to provide consistency between both programs and to comply with Council direction from the July 2021 Study Session.

1. Updating the Development Review process to reflect changes made in 2018 to Municipal Code Chapter 17.106. (Section 5.50.020). See section later in this report for details on outdoor dining application review and approval process.
2. Introducing a use fee for Tables and Chairs permits (Section 5.50.030).
3. Removing the words “generally” in defining the six-foot clear space for through pedestrian travel and eight feet for new sidewalk construction (Section 5.50.045D)
4. Removing the prohibition on stand-up and take-out service use in the outdoor dining area. During the pandemic emergency response, take-out service was an allowed use that did not introduce any significant nuisance issues or concerns. (Section 5.50.045J).
5. Revising the appeals process to be consistent with the proposed parklet program, in which appeals of administrative actions would go to the Planning Commission only (Section 5.50.065).

E. Fees

Use fees for sidewalk cafes are proposed to remain at the pre-COVID rate of \$1 per square foot of sidewalk space used per month (\$12 per square foot annually). While sidewalk tables and chairs permits were previously exempt from use fees, per Council direction from the July 2021 Study Session, staff is proposing to apply this same rate to all sidewalk dining permits (sidewalk cafes and tables and chairs). As also directed by Council at the Study Session, staff analyzed the cost to the City associated with operating a permanent parklet program to guide development of a potential parklet use fee.

The resulting cost includes the recovery of lost parking meter revenues and increased costs for program administration and maintenance activities related to a permanent parklet program are summarized as follows:

- a. **Weekly Manual Street Sweeping:** since a standard street sweeper cannot be used with parklets, street sweeping must be done manually on a weekly basis and is labor intensive to clean around parklets and to keep gutters around the parklet structures free of debris.
- b. **Parking Revenue Loss:** staff included an average cost for parking revenue loss since parking rates in the downtown are variable depending on high demand locations and need for turnover. The parking revenue loss per space is approximately 3,500– \$7,500 per year based on the location. When approximating an average cost per space, staff estimates that this cost is approximately \$4,000 per space per year given that very few parking spots are at the high end of \$7,500 and most are in the \$4,000 range.
- c. **Permit Administration & Inspections:** Ongoing permit administration and inspections do require staff resources including inspection of plans and coordination with various departments including Public Works, Fire Department, Building, and Community Development. For this work, approximately 10-15 hours of increased staff time is assumed per parklet per year (\$500 per parklet annually).
- d. **Tree Trimming Over Parklet Area:** To trim any trees over a parklet area without damage to parklet structures, a boom truck with a crane is necessary, where many trimming activities could be otherwise performed with less-costly equipment without parklets. The cost for tree trimming included in the proposed use fee only includes the incremental added cost to trim over a parklet area beyond the baseline costs that would be incurred for tree trimming without any parklets.

Table 1: Annualized City Costs Per Parking Space with Addition of Parklet*

Cost Type	Amount
Weekly Manual Street Sweeping	\$3,900
Parking Revenue Loss	\$4,000
Permit Administrations & Inspections	\$500
Tree Trimming over parklet area	\$310
Total	\$8,710

Cost per sq ft \$54.44

*Based on average parking stall size of 160 sq. ft. (8 ft wide x 20 ft long)

Given the increased maintenance costs to the City associated with permanent parklets and reduced Parking Fund revenues, which impacts the ability to fund the planned Cultural Arts District Parking Structure and maintenance of existing structures, staff's recommendation is to set the parklet use fee at a level that recovers the full annualized cost of \$8,710 per parking stall (\$54.44 per square foot).

To help offset the upfront costs of designing/installing/upgrading parklets to newly adopted design standards, and to support the ongoing economic recovery of local businesses from the COVID-19 pandemic, staff is recommending that 50% of the adopted parklet use fee be levied through the end of Fiscal Year 2022-23 (through June 30, 2023). Put another way, the parklet use fee would begin on January 1, 2023 would be \$4,355 per parking stall (\$27.22 per square foot). The annual cost in subsequent years (beginning July 1, 2023) would be assessed for the Financial Plan year, at \$8,710 per parking stall (\$54.44 per square foot) and will adjust according to the Consumer Price Index. In addition, if parking rates are modified in the future, the use fee would be reevaluated and adjusted proportionally as part of the regular updates to the City's Master Fee Schedule unless otherwise approved by the City Council.

Presently there is an adopted, one-time Application Fee for sidewalk cafe permit applications of approximately \$908 (tables and chairs permits are exempt from this application fee). Staff recommends that Parklet Permit applications also have a one-time Application Fee in the same amount. This fee reflects the costs associated with processing the permit applications.

A summary of the proposed use and application fees is as follows:

Table 2: Proposed Outdoor Dining Fees

Program	One-time Application Fee*	Use Fee (1/1/23-6/30/23)	Use Fee (7/1/23-6/30/24)**
Parklet	\$908.17*	\$2.27/sq. ft./month \$27.22/sq. ft./year (\$4,355 per average parking stall)***	\$4.54/sq. ft./month \$54.44/sq. ft./year (\$8,710 per average parking stall)***
Sidewalk Cafe	\$908.17*	\$1/sq. ft./month \$12/sq. ft./year	\$1/sq. ft./month \$12/sq. ft./year
Tables & Chairs	None	\$1/sq. ft./month \$12/sq. ft./year	\$1/sq. ft./month \$12/sq. ft./year

*Rate consistent with existing Application Fee for Sidewalk Cafes.

**Fees escalated annually beyond FY2023-24 based on Consumer Price Index (CPI).

***Estimated based on average parking stall size of 160 sq. ft. (20 feet long x 8 feet wide).

Under this new program what would a Parklet Approval Look Like?

Applications for parklets are proposed to follow a similar review workflow to applications for Minor or Major Architectural Review, with applications submitted through the Community Development Department. Depending on proposal details, including whether electrical devices or a vertical structure/roofing system are contemplated, applications will be reviewed by Community Development (Planning, Development Engineering, Building and Safety), Public Works (Transportation and Parking Programs), and the Fire Departments. Consistent with the updated Development Review process established in 2018 per City Municipal Code Chapter 17.106, the approval process for parklet installations is proposed as follows:

Applications for Sidewalk Dining and Parklets Occupying Parking Spaces



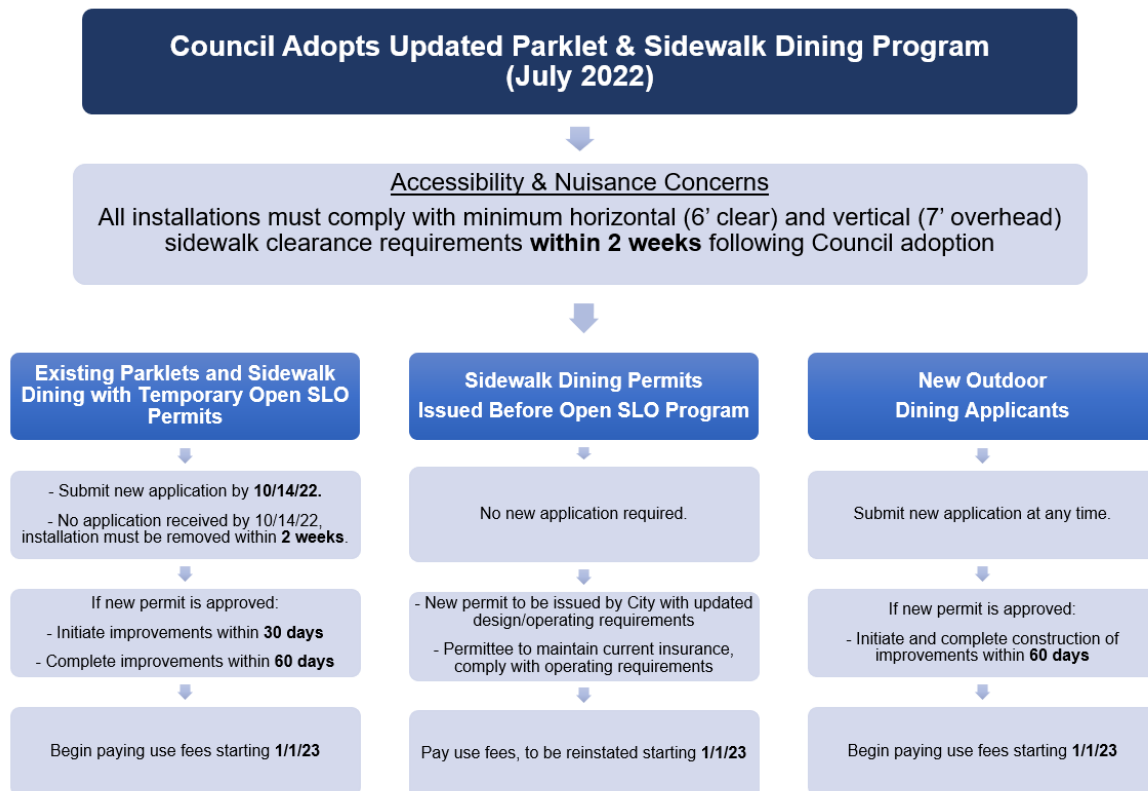
- a. **Notifications** would be sent by City to property owners on both sides of an affected block (and Downtown Association for downtown installations).
- b. **Approvals** granted at administrative level by the Community Development Director, who has the discretion to recommend input from the Architectural Review Committee or Planning Commission depending on the complexity of the proposed installation
- c. **Appeals of Director's Decision** would be considered by the Planning Commission. It is staff's recommendation not to support second appeals to the City Council.

Transition Plan to a Permanent Parklet Program

Businesses with approved sidewalk cafe permits issued prior to the Open SLO pilot program will not need to submit a new application to retain their permit, but will be required to maintain current insurance certifications, pay annual use fees, and comply with the amended operating requirements pursuant to the proposed municipal code revisions included in Attachment A. New applicants and businesses with existing parklets or sidewalk dining permits issued during the Open SLO pilot program who wish to continue in a long-term manner will be required to submit a new application following the permanent program process and requirements described herein.

Upon adoption of a permanent parklet program, a period of time will be necessary for interested businesses to prepare applications, coordinate with affected property owners (as necessary) and transition from the current pilot program installations to permanent ones. This transition period is also important to allow for City staff to begin administration of the new program and process new applications for outdoor dining permits.

With this said, staff has received consistent requests from community members and downtown businesses to incentivize accelerated removal of current parklets and sidewalk dining installations that are not regularly utilized and/or where operators do not wish to proceed with pursuing a new permit under the permanent program. Therefore, staff proposes the following transition plan approach and schedule based on these considerations:



1. **New Applicants**, who do not have a current parklet or sidewalk dining permit may submit a permit application under the updated Outdoor Dining program (Municipal Code Sections 5.50 and 5.51) at any time.
2. **Businesses with existing parklets or sidewalk dining permitted under the Open SLO pilot program** must submit a new permit application under the updated Outdoor Dining program by **October 14, 2022** (including payment of the application fee) in order to retain the current installation through the remainder of this calendar year.
3. **Businesses** with current parklet or sidewalk dining installations permitted under the Open SLO program **who do not complete a new permit application by October 14, 2022** (including payment of application fee), will have their current permit revoked and must remove all parklet and sidewalk dining installations from the public-right-of-way within 2 weeks of the referenced permit deadline (**October 28, 2022**).

4. **Compliance with design and operating standards.** Unless otherwise deferred by the Community Development Director, businesses with existing parklets or sidewalk dining (who completed applications by the October 14, 2022 deadline) must start construction of required modifications to their current installations to comply with updated design standards and operating requirements within **30 days** of issuance of their new outdoor dining permit and complete construction within 60 days. If these deadlines are not met, permits will be suspended until applicant can provide an updated construction schedule approved to the satisfaction of the Public Works Director.
5. **Proposed parklet and sidewalk dining use fees,** as included in Attachment B, will be charged to all remaining parklet and sidewalk dining installations remaining in the public right-of-way starting January 1, 2023, regardless of whether applicants are still working through permit approval process.
6. **Accessibility & Nuisance Concerns.** All current parklets and sidewalk dining installations that present conflicts with applicable accessibility standards, such as restricting sidewalk clearances to less than 6 feet, or with umbrellas or other overhead features located less than 7 feet above an active sidewalk, must correct these violations no later than **14 days** following final Council adoption of the Outdoor Dining Guide and related ordinance.

Outdoor Dining Installations on Private Property

As directed by Council at the Study Session on this topic in 2021, the Community Development Department will work with restaurant owners to remove existing outdoor dining installations on private property where they do not meet their off-street parking minimums as indicated in the Zoning Regulations due to the expanded use of the parking for outdoor dining. Following adoption of the permanent parklet program, code enforcement will be working with restaurant owners to remove or modify parklets on private property where this is the case. If Council believes there should be further discretion, they could provide direction to allow the Community Development Director further discretion regarding the balance of parking off-street with outdoor dining.

Public Engagement

A month before the Council Study Session on July 20, 2021, staff conducted a community survey to invite input from all stakeholders on the potential extension of parklets in a long-term capacity beyond the current Open SLO pilot program. Key takeaways from the 2021 community survey are highlighted below

Key Findings from Community Survey:

1. Total number of survey participants = 7,125
 - a. 70% are residents of San Luis Obispo
 - b. 20% represent a local business owner, manager or decision-maker

2. Parklets

- a. 83% support permanent parklets (70% strongly support)
- b. Of those businesses with a current parklet (approximately 30 parklets at time of survey), 65% have interest in making it permanent.
- c. 77% of businesses with temporary parklets are willing to share some cost to retain a parklet, while 23% would not be willing to pay any fee to retain a parklet.
- d. Of businesses with current parklets, 31% would be willing to pay \$1,000-\$5,000 annually, 30% would be willing to pay \$5,000-\$10,000, and 16% would be willing to pay \$10,000 or more annually to retain a parklet.

In gathering public input on the draft Outdoor Dining Guide during spring of 2022, staff held a public workshop at the SLO Library, forums with the Chamber of Commerce and Downtown SLO as well as a meeting of the Active Transportation Committee. Public input was also solicited via social media engagement, direct email contact with current and past parklet owners, and was broadcast through local media channels including KCBX, KSBY, and KCOY.

In addition, staff invited input on an [Open City Hall page](#) in May, 2022. To date, the site has had over 200 visitors and recorded over 100 statements, providing input on the permanent parklet program. Of the statements, approximately half were supportive of the permanent program for reasons of ongoing public health as well as supporting a human-scale pedestrian environment. For the other half, major themes of concern included the following:

- a. **Activity:** Many commenters had concerns that parklets were not being used enough. In response, staff recommends that parklets have a minimum activity of five days per week, four hours per day as a suitable balance between community desires for parklet activity and the staff burden of food service business.
- b. **Parking Revenue Loss:** Many comments described concerns about impacts to the parking revenue fund. In response, staff is recommending that the full cost for parking revenue recovery as well as maintenance be included in the parklet use fee.
- c. **Downtown Parking Loss:** Many commenters had concerns that parklets have made it more challenging to find a parking spot downtown. Staff believes that with the introduction of fees for parklets there will likely be less parklets than there are currently. Throughout the pandemic pilot program there have been no fees.

- d. ***Encroachment into Neighboring Frontage Property:*** Several commenters expressed concern about a parklet extending into a neighboring frontage. Staff initially recommend that any encroachment beyond five feet into a neighboring property frontage would require consent. However, staff has modified the requirement to include any encroachment into a neighboring frontage must have consent of the affected business and property owner(s).
- e. ***Rapid Transition to a Permanent Program:*** Several commentors expressed that the transition to the permanent program should happen quickly so that parklets are not sitting idly. Therefore, staff is recommending that applications (including \$908.17 fee) must be turned in by mid-October or else staff will begin the process of removing the parklet. Moving forward, all costs for parklet installation, modification or removal are the sole responsibility of the operator.
- f. ***Full Closure of Streets for Pedestrians:*** Several commenters mentioned that the parklet program should also include closure of entire streets. While pedestrian plazas are a goal of the Downtown Concept Plan, staff is not currently recommending the removal of all automobile access to streets due to the need to perform more outreach to downtown businesses and analysis of impacts to deliveries and other logistics.

CONCURRENCE

The Transportation Planning and Engineering Program have worked closely with staff from other programs in the Public Works Department (Parking, Streets Maintenance), the Community Development Department, Fire Department, Police Department, City Administration, and the City Attorney's Office in developing the parklet ordinance and in reviewing potential long-term policy and program strategies as part of the parklet ordinance adoption. Those staff concur with the content and recommendations provided in this staff report.

The Active Transportation Committee reviewed the proposed Design Standards within their purview of active transportation and provided the following input:

- 1) Bike parking provided in conjunction with parklets should be consistently configured as bike corrals, visible and accessible from the street and should be provided in addition to normally required bike parking.
- 2) Parklets should feature adequate reflective material on the perimeter of the parklet
- 3) A minimum of 6 feet width for pedestrian travel should be maintained at all times on the sidewalk as well as a minimum of 7 feet of vertical clearance for all objects such as umbrellas, structures, or other vertical elements
- 4) Sufficient staff resources for regular inspection will be necessary to prevent encroachment into clearance areas

ENVIRONMENTAL REVIEW

The parklets and sidewalk cafes are categorically exempt under CEQA Guidelines Section 15301 (Existing Facilities) because the actions are limited to permitting, leasing, and minor alteration of existing public facilities in the right of way within the program area. Any new use of the right of way under the program by additional parklets is negligible when compared to the total linear square footage of the program area. The parklet and sidewalk café programs are consistent with the Engineering Standards. Projects which qualify for parklets, and sidewalk cafes will be required to comply with all relevant City standards, codes, and regulations.

FISCAL IMPACT

Budgeted: No

Budget Year: 2021-23

Funding Identified: No

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$	\$	\$	\$
State				
Federal				
Fees				
Other:				
Total	\$	\$	\$	\$

The total cumulative cost to the City in creating and administering a permanent parklet program is estimated at approximately \$8,710 per parking space eliminated. This cost includes ongoing loss of parking meter revenue (\$3,500-\$7,500 per parking space based on location and meter rate), contract services for manual street sweeping on a weekly basis, tree trimming, and program administration. If the current number of pilot parklet installations were to remain in place, this would result in a direct loss of approximately \$264,000 annually to the Parking Fund. For this reason, staff is recommending a use fee that recovers the full cost to the City for continuing the parklet program, with a 50% of this fee applied for six months (January 1, 2023 to June 30, 2023) to provide some assistance to local businesses still recovering economically from the COVID-19 pandemic. These use fee revenues would be collected annually and appropriated with Council adoption of each Financial Plan.

Staff recommends that at least 50% of collected parklet use fee revenues be allocated to the Parking Fund, with the remaining revenues going towards maintenance and administrative costs; however, Council has the ultimate discretion to appropriate annual revenues as they see fit.

With respect to the existing sidewalk café program, the existing application and use fees for sidewalk cafes offset costs to administer the program. For the Tables & Chairs program, staff administration is required to process applications and the proposed fee of \$1 per square foot per year would offset those costs.

ALTERNATIVES

1. ***Council may direct staff to make modifications to the proposed parklet program and sidewalk dining program including:***
 - a. ***Not charging a full use fee.*** Staff does not recommend this option as it would create further losses in the Parking Fund
 - b. ***Establishing a cap on the number of parklets allowed in the city.*** Some comments in the public input phase indicated a desire to set a cap.
 - c. ***Other changes to the proposed application process, design guidelines or operating requirements.***
2. ***Council may decide not to move forward with a permanent parklet program or changes to the existing sidewalk café program at this time.***

ATTACHMENTS

- A - Draft Ordinance amending Title 5 (Licenses, Permits, and Regulations) to amend Chapter 5.50 (Sidewalk Café) and add Parklets Chapter 5.51 (Parklets)
- B - Draft Resolution approving Outdoor Dining Guide and adopting fees for Parklets, Sidewalk Cafes, and Tables and Chairs Permits
- C - Exhibit A to the Draft Resolution – SLO Outdoor Dining Guide