



City of Culver City

Staff Report

File #: 22-196, Version: 1

Item #: A-2.

CC - (1) Adoption of an Ordinance Amending Culver City Municipal Code Section 9.08.035, *Use of Sidewalks for Outdoor Dining*, to Add the Use of Parklets and Other Uses in the Public Right-of-Way and Modify the Current Outdoor Dining Agreement Process; (2) Adoption of a Resolution Establishing Fees for the Parklet Program; and (3) Consider Excluding or Waiving One or More Fees.

Meeting Date: August 23, 2021

Contact Person/Dept: Joe Susca/Public Works
Phone Number: 310-253-5636

Fiscal Impact: Yes No **General Fund:** Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (08/18/2021); Lonzo Restaurant (08/10/2021); FIN Asian Tapas (08/10/2021); Harajuku Taproom (08/10/2021); the Downtown Business Association (08/18/2021); the Culver City Chamber of Commerce (08/18/2021)

Department Approval: Charles D. Herbertson (08/11/2021)

RECOMMENDATION

Staff recommends the City Council (1) adopt an Ordinance amending Section 9.08.035 of the Culver City Municipal Code (CCMC), *Use of Sidewalks for Outdoor Dining*, to add the use of Parklets and other uses in the public right-of-way and modify the current outdoor dining agreement process; (2) adopt a Resolution establishing fees for the Parklet program and authorizing the Public Works Director/City Engineer to offer applicants up to 12 months to pay most of their first-year startup fees; and (3) consider various fee eliminations or their waiver in the first year that, if approved, will reduce the Parklet program's initial cost to applicants.

BACKGROUND

A Parklet is an open space typically comprised of one, two, or three adjacent curbside parking spaces located directly in front of a restaurant, art gallery, retailer, or other business and is used primarily for outdoor dining or to create a customer waiting area, as a stage for acoustic musicians to

play, landscaping or a small garden, to display public art, or other type of open space for public use. Creative use of street right-of-way, such as Parklets, has gained popularity in other cities and in particular since the COVID-19 pandemic, although some Culver City businesses expressed an interest in installing them prior to the pandemic.

On July 12, 2021, the City Council unanimously (1) adopted a Resolution establishing Parklet Design Guidelines for the new Parklet program; (2) introduced an Ordinance amending Culver City Municipal Code Section 9.08.035, *Use of Sidewalks for Outdoor Dining* to add Parklets to it and to modify the current outdoor dining agreement process; and (3) adopted a categorical exemption related to the Ordinance pursuant to the California Environmental Quality Act. The Ordinance is now presented for adoption (See Attachment No. 1 - Ordinance).

After discussion of the Resolution Establishing Parklet Fees for the new Parklet program, the City Council instructed staff to explore payment plan options to spread out an applicant's first-year costs, and to evaluate fee eliminations or first-year fee waivers to reduce an applicant's costs.

DISCUSSION

Resolution Adopting Parklet Street Use Permit and License Fees

A Parklet Street Use Permit and License Agreement is required before restaurants or other businesses may install a Parklet. Since it is substantially alike, staff recommends implementing a fee schedule similar to the City's existing Outdoor Dining permitting process, with exception to increasing the maintenance deposit from \$500 to \$2,000 in recognition that if left abandoned, City crews will need to dismantle, haul and dispose of the Parklet in addition to restoring the roadway after removing buried bollards and bolts used to attach platforms to the curb. The deposit is fully refundable if the permittee removes the Parklet and restores the public right-of-way to its original condition. In addition, if a Parklet uses one or more "metered" parking spaces, staff recommends that for the first five years, an additional \$1,000 annual fee per metered space be included to recover lost City revenues (which revenue averages \$1,000 to \$1,200 per metered space.) This is the same term and fee the City currently charges developers who acquire use of a metered parking space.

Metered Parking Space Fee Elimination

The City Council may wish to consider eliminating the \$1,000 per parking space fee altogether, which is applied when the applicant uses one or more metered spaces. If eliminated, the \$13 per square foot rental fee for use of the public right-of-way will continue to be assessed annually.

Payment Plan

The proposed Resolution Establishing Parklet Fees authorizes the Public Works Director/City Engineer to offer applicants up to 12-months to pay first-year startup costs with exception to the City of Los Angeles Sewer Facility Charge that, per the City's 1999 Amalgamated Sewerage Agreement with the city of Los Angeles, are required to be collected up front and be remitted to Los Angeles

upon issuance of the permit.

First-Year Fee Waivers

Due to their relatively low cost and to recover the City’s expenses, staff recommends the application (\$750), issuance (\$50), and technology surcharge (\$32) fees and the maintenance deposit (\$2,000) not be waived. Staff also recommends that neither sewer facility charge fees be waived (Culver City or Los Angeles) as these funds are used to expand the sewerage system to accommodate the additional load new uses generate, and it is recommended that the City not set a precedent in this regard.

Three different Parklet configurations and their associated first year and recurring annual fee scenarios are attached for reference (See Attachment No. 3 Parklet Configuration Scenarios). For discussion purposes, the first scenario comprised of two metered parking spaces with 16 outdoor dining seats amounting to 320 total square feet with a startup cost of \$19,256 is the most common configuration that staff anticipates receiving and is the one used below to illustrate various payment plan and fee elimination and/or waiver options. The options below are primarily focused on offering applicants a 12-month fee payment plan in lieu of requiring payment in full up front and/or waiving the City’s rental fees for the first year and/or eliminating the metered parking space fee altogether or waiving it for the first year only:

Scenarios:	First Year Monthly Payments	Year 2-5 Monthly Payments for Metered Spaces and Rent	Year 6 and Beyond Monthly Rent
LA City Sewer Facility Charge of \$4,840 due upfront when permit is issued, leaving a \$14,416 balance owed. Provide 12 monthly payments of first-year remaining startup costs (\$14,416) in lieu of payment up front (no fee waivers):	\$1,201.33	\$513.33	\$346.67
Provide 12 monthly payments of remaining first-year startup costs (\$12,416) in lieu of payment up front with metered parking space fees waived for the first year:	\$1,034.67	\$513.33	\$346.67
Provide 12 monthly payments of remaining first-year startup costs (\$10,256) in lieu of payment up front with rent waived for the first-year:	\$854.67	\$513.33	\$346.67
Provide 12 monthly payments of first-year startup costs (\$8,256) in lieu of payment up front with both rent and metered parking space fees waived for the first year:	\$688.00	\$513.33	\$346.67

Prior to adopting the Resolution Establishing Parklet Fees, the City Council should incorporate into the record any fee eliminations or first-year waivers contained in the motions below are passed this evening. Such options shall be included in the Resolution prior to the Mayor’s signature.

FISCAL ANALYSIS

Depending on the number of Parklets constructed, General Fund revenues derived from license fees could be from \$10,000 to \$50,000 annually.

The proposed Fee Schedule for Parklets is as follows:

Paid at the Time of Application Submittal (one-time):

Application Fee \$750.00

Paid Prior to Permit Issuance (one-time)

Issuance Fee \$50.00

Tech Surcharge (4% of Issuance + Application fees) \$32.00

Street Maintenance Deposit \$2,000
(refundable)

Los Angeles Sewer Facility Charge ~\$302.50 per seat

Culver City Sewer Facility Charge \$339 per seat

Annual License Fees (Recurring):

Public Right-of-Way Rental Fee \$13 per square foot

Parking Meter Fees (first 5 years) \$1,000 per metered space (assessed when applicable)

ATTACHMENTS

1. 2021-08-23_ATT 1 - Ordinance
2. 2021-08-23_ATT 2 - Resolution Establishing Parklet Fees
3. 2021-08-23_ATT 3 - Parklet Configuration Scenarios

MOTIONS

That the City Council:

1. Adopt an Ordinance amending Section 9.08.035 of the Culver City Municipal Code to add the use of Parklets and other uses, and modify the outdoor dining agreement process, and waive further reading; and
2. Adopt a Resolution Establishing Parklet Fees for the installation of Parklets in the public right-of-way that:
 - a) Does not exclude or waive any fees; or
 - b) Excludes the Parklet metered parking space fee altogether; or
Waives the Parklet metered parking space fee only for the first year; and/or
 - c) Waives the Parklet rental fee for the first year.