



City of Huntington Beach

File #: 20-1712

MEETING DATE: 6/15/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Ursula Luna-Reynosa, Director of Community Development

Subject:

Consideration of an Agreement with Choura Events to create a Pilot Program to close the Second Block of Main Street to traffic for outdoor commerce as a response to the COVID-19 pandemic

Statement of Issue:

On June 1, 2020, the City Council directed staff work with the Downtown BID on the possibility of developing a Pilot Program to close the Second Block of Main Street between Walnut and Olive, to help local downtown businesses as part of the reopening of our local economy from the COVID-19 induced shut-down. Based on that direction, staff has met with the Downtown BID and Choura Events (a firm that has developed similar type projects in Manhattan Beach, Long Beach, and Laguna Beach) to develop a possible program option would create 7 parklets along Main Street between Walnut and Olive. In addition, the plan contemplates utilizing the parking lot at the Historic Surf Museum (which is currently closed due to the State's order) as an additional space for small scale events and activations.

Financial Impact:

Based on the scope of work developed with Choura Events, the cost to develop the Pilot Project for a two month period (tentatively imagined to take place through Labor Day) would be for an amount not to exceed \$175,000, plus an additional 20% contingency amount. Under that scope of work, Choura Events would be responsible for working with the City and the Downtown BID to design, install, and tear down improvements that will allow businesses in Downtown to expand commercial activity outdoors, providing an opportunity to better comply with social distancing requirements and increase sales.

Of note, the Downtown BID is meeting to discuss their ability to contribute financially towards the Pilot Project. Given the Downtown BID's current financial status, they would need additional support from the City to fully fund the initiative.

If the City Council did decide to move forward with funding Pilot Project, the funding source that has been identified by staff for use towards this effort would be from COVID-19 response CARES Act

funds that the City will be receiving from Orange County. As the City Council may recall, the Orange County Board of Supervisors recently voted to allocate \$26 million from their CARES Act funds directly to Orange County cities on a population basis.

To that end, the City of Huntington Beach is entitled to \$1,721,011 of the total amount distributed to cities throughout the County. Based on the funding restrictions from this CARES Act pot, the money can only be used for unanticipated COVID-19 response related costs (such as this Pilot Program), that were incurred after March 1, 2020, and for which we are not already getting reimbursed for.

Recommended Action:

If the City Council does decide to move forward with the Pilot Project, authorize and direct the City Manager to execute an Agreement with Choura Events in an amount not to exceed \$175,000 with a 20% contingency in a form approved by the City Attorney.

Alternative Action(s):

Do not authorize the agreement, and direct the City Manager to take an alternate action.

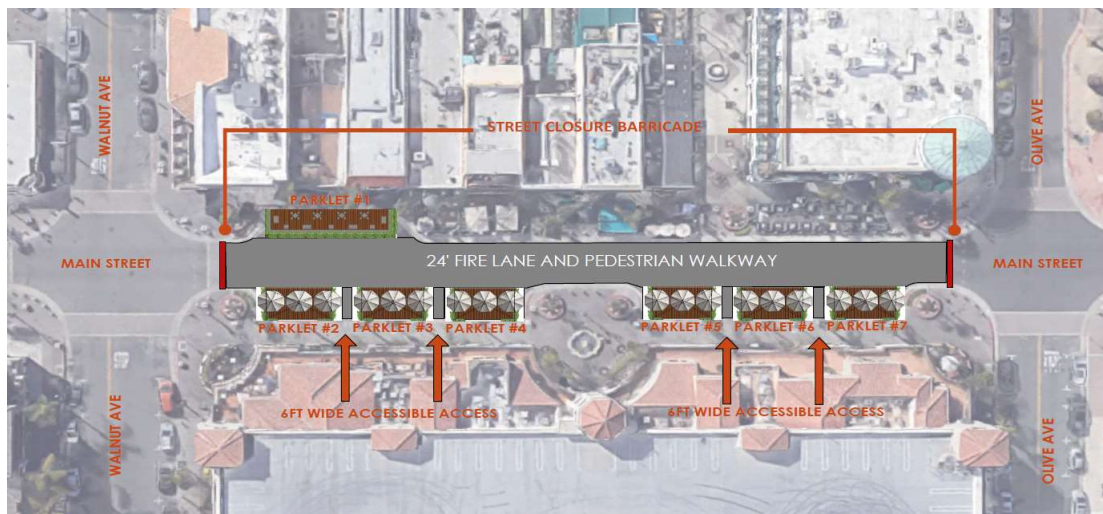
Analysis:

The State of California and Orange County are taking a phased approach to reopening the economy and guidelines have been provided for mandatory physical distancing, face coverings for employees, etc. The City of Huntington Beach would like to ensure businesses have the ability to operate safely and successfully during the COVID-19 economic recovery. In order to maintain social distancing and related safety protocols, and to allow businesses to recreate a greater portion of pre-COVID capacity levels, the City is allowing flexibility in parking and other standards to permit businesses to operate outdoors on a temporary basis.

In addition to the Temporary Emergency Use Permit regulations adopted by the City Council at the June 1, 2020, meeting, the City Council also directed staff to return with details for a pilot program to close the second block of Main Street between Walnut and Olive this summer to provide an area for outdoor dining and retail in response to the COVID-19 pandemic. The proposed pilot program will allow residents to dine and interact safely, providing Downtown restaurants with the physical distancing requirements necessary to operate their businesses and promote local commerce, while abiding by the State's phased reopening guidelines.

PROJECT DESCRIPTION

Staff worked with Choura Events to develop a concept plan (see Slide 7 of Attachment 1) to implement the pilot program by July 1, 2020, through September 7, 2020 (Labor Day). The area will not include the sidewalks, as that area will be reserved for the adjacent business owners, in the event they are seeking to expand their businesses via the Temporary Emergency Use Permit. The contemplated area includes the public on-street parking spaces and streets.



The program area consists of six parklets at 15 ft x 24 ft long (2,160 sq ft total) on the east side of Main Street, and one longer parklet at 15 ft x 48 ft long (720 sq ft total) on the west side of Main Street. The program area would be improved with raised decks to be flush with the sidewalks and a 24' fire access lane would be maintained. The area is comprised of multiple dining decks and a retail deck. One of the dining decks could be converted to a performance art deck. The program area is envisioned to be open daily for general dining and shopping between 9:00 a.m. and 10:00 p.m. Signs would be installed at the entrances of the program area indicating that the area is open to the public, the hours the area is open, and the permitted activities within the location.

TEMPORARY AMENITIES

The dining furniture will not be fixed to the ground, but will be arranged to ensure adequate physical distancing is maintained. The tables will allow for seating up to four and include umbrellas to provide shade while dining. Designated areas will also be available for the service of alcohol, in compliance with the California Department of Alcohol Beverage Control (ABC). In recognition of the unique circumstances generated by COVID-19, ABC has temporarily relaxed their guidelines to increase restaurant capacity via the creation of outdoor dining areas. The proposed concept provides retailers with space to display merchandise and promote commerce.

In addition to ensuring physical distancing is maintained, the design will incorporate measures that provide a safe and pleasant environment. Planter boxes will provide plants to soften the space, and decorative string lighting will hang over the dining decks to provide evening illumination for ambiance and safety. Opportunities to engage local artists to integrate temporary public art and performances will contribute to the aesthetics of the area.

The pilot program seeks to create an environment that brings Huntington Beach residents back to Downtown for public social interactions with friends and family in a safe and sanitary manner. The tables are meant to support downtown restaurants and are not designed for a specific restaurant, nor are they reserved for specific customers. They are for public use on a first come, first served basis. Individuals are invited to pick up a meal from their favorite Downtown restaurant and enjoy it

within the communal dining area.

TRAFFIC AND CIRCULATION

Main Street is a two-lane street that provides through vehicular access from Pacific Coast Highway (with left-hand and right-hand turning in both directions). Head-in diagonal parking is available on both sides of the street. The project proposes to temporarily close the second block of Main Street to all vehicular traffic. Staff does not anticipate significant downtown traffic impacts as a result of the proposed temporary street closure, primarily based on the anticipated decrease in Downtown traffic caused by pandemic conditions. Additionally, the traditional grid pattern allows motorists multiple options to access any location in Downtown. Finally, the second block of Main Street is directly adjacent to two public parking structures that can be accessed by other streets, but funnels pedestrians to the program area.

PARKING

The proposed program area is improved with 19 metered on-street public parking spaces that will be temporarily closed. Due to the quarantine, parking demand has been significantly reduced in the City. While it is expected that this demand will increase with the phased re-opening of the economy, it is unlikely that it will return to pre-pandemic levels until things are “back to normal”. Further, a number of large-scale events that typically generate parking demand have been cancelled or postponed. It is estimated that the two parking facilities are currently operating with a surplus of parking spaces available.

SECURITY PLAN

The Police Department has reviewed the concept plan and does not have any concerns related to Downtown safety or security, and prefers a complete closure of Main Street for outdoor dining as opposed to parklets being built out adjacent to streets being accessed by vehicles. Anyone not actively dining or shopping will be encouraged to move along to make room for new customers.

COVID-19 SANITATION PLAN

The pilot program includes implementing a series of sanitation measure to help prevent the spread of COVID-19. Dining tables and chairs will be arranged strategically to maintain a minimum of six feet between parties. The fire lane/ pedestrian walkway will be maintained and cleaned daily. The dining areas will be disinfected after each use. Trash can and recycle bins will be emptied throughout the day and crews will provide general litter control for the program area.

Artistic markers will be placed at various locations to promote physical distancing guidelines. Creating a pedestrian traffic flow pattern with queues to direct pedestrian traffic to ensure that there are no choke points or cross traffic opportunities. Additionally, several hand sanitizing stations, with multiple dispensers each, will be available to the public.

RETURN ON INVESTMENT ANALYSIS

The pilot program offers an opportunity for 30 additional tables (seating for 100). If tables turn over approximately every 60 minutes, at an average ticket of \$10 per person, approximately \$13,000 of increased sales per day is achieved. The City's portion is 1% (or \$130) times 69 days (length of the program) results in total sales tax revenue to the City of \$8,970. Additional parking revenue is also likely to be achieved. Assuming that one car is parked for every 100 people, that is 25 cars per hour at a parking rate of \$3.00 per hour, which equates to \$975 per day and a total of \$67,275 over the term of the pilot program.

Based on that analysis, collectively, the City stands to receive increased revenue of \$76,245 over the entirety of the program.

This total does not factor any increased sales tax revenue derived from sales of retail goods by bringing people to downtown that might not otherwise come. Further, studies show that the longer a person spends in a store or shopping district, the more money they spend. This basis analysis does not factor in secondary and tertiary benefits of the jobs that retained or created by enabling businesses to increase sales.

Finally, the City stands to lose a number of businesses in Downtown, and elsewhere, if they are not able to recover from the pandemic. This analysis does not cover the potential cost to the City of doing nothing.

Environmental Status:

The project is exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15304(e) because the proposed project consists of a minor temporary use having negligible or no permanent effects on the environment. The proposed project would not have a negative effect on biologically sensitive resources, and there is no evidence of any unusual environmental circumstances that might give rise to a reasonable possibility that the project will have a significant effect on the environment.

Strategic Plan Goal:

Strengthen long-term financial and economic sustainability

Attachment(s):

1. Choura "Creating Space" Deck