



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** September 20, 2022

**TO:** Mayor and Councilmembers

**FROM:** Public Works Downtown Team Division, Public Works Department

**SUBJECT:** State Street Interim Operations Update

**RECOMMENDATION:** That Council:

- A. Receive a report on State Street Interim Operations since June 28, 2022;
- B. Approve revisions to specific design guidelines for in-street outdoor business facilities on the State Street Promenade and the 400 and 1300 blocks of State Street changing certain design guidelines to design requirements, becoming effective December 1, 2022;
- C. Direct City staff to pursue a fee structure for use of public right-of-way space for in-street outdoor business facilities on the State Street Promenade and the 400 and 1300 blocks of State Street;
- D. Direct staff regarding if and when parades should be allowed on State Street; and
- E. Direct staff regarding if and when State Street Promenade businesses and businesses on the 400 and 1300 blocks of State Street with in-street outdoor business facilities shall be required to be portable.

**EXECUTIVE SUMMARY:**

The Public Works Department is responsible for managing ongoing operations of the State Street Promenade, under the advisement of the State Street Interim Operations Ad Hoc Subcommittee (SSIOAHS). Since receiving additional Council direction in June, 2022, City staff have continued to work on implementing and enforcing the Economic Recovery Extension and Transition Ordinance, working with stakeholders, and identifying additional issues requiring attention. This report covers 1) SSIOAHS activity since June 28, 2022; 2) SSIOAHS design recommendations; 3) SSIOAHS proposed fee structure for in-street outdoor business facilities; 4) SSIOAHS proposed parade and portability requirements; 5) American Rescue Plan Act (ARPA)-funded deep cleaning and decorative lighting update; and, 6) Americans with Disabilities Act (ADA) enforcement activity on the State Street Promenade and citywide parklets update.

The SSIOAHS recommends that certain design guidelines for in-street outdoor business facilities on the State Street Promenade, and the 400 and 1300 blocks of State Street transition to design requirements, becoming effective December 1, 2022. The SSIOAHS recommends that a fee structure for in-street outdoor business facilities on the State Street Promenade, and the 400 and 1300 blocks of State Street be approved. The SSIOAHS recommends that parades not be allowed on the State Street Promenade during the interim operations period due to a variety of significant public safety concerns centered around a lack of emergency access due to in-street outdoor business facilities on State Street. As a result of the SSIOAHS recommendation to not allow parades on State Street during the interim operations period, the SSIOAHS recommends that existing in-street outdoor business facilities not be required to be portable. Final Council direction is requested on these items.

## **DISCUSSION:**

### SSIOAHS Activity Since June 28, 2022

The SSIOAHS has actively met and engaged with community stakeholders on a wide variety of State Street interim operations topics. The following are the SSIOAHS meetings conducted since June 28, 2022:

- July 12 – Meeting with Public Works Downtown Team staff. Conducted walk of State Street to review design elements, storm water issues, and ADA compatibility;
- July 21 – Meeting with members only. General discussion;
- July 28 – Meeting with Downtown Santa Barbara, Santa Barbara County Association of Governments Traffic Solutions representative, and various local bicycle advocacy groups regarding bike safety on State Street;
- August 22 – Meeting with parade organizers representing Fiesta, Downtown Santa Barbara Christmas Parade, July 4<sup>th</sup>, Summer Solstice, and Veterans Day to discuss the future of parades on State Street;
- August 25 – Meeting with Downtown Santa Barbara members and Mayor Rowse to discuss public safety issues downtown; and,
- September 1 – Meeting with City staff, including Police and Fire Department representatives, to discuss public safety, parades, and general updates.

### SSIOAHS Design Recommendations

On July 12, 2022, the SSIOAHS conducted a walk of the State Street Promenade to review existing conditions of in-street outdoor business facilities. The SSIOAHS focused on design guidelines and their current application in existing in-street outdoor business facilities including general look and feel, as well as storm water and ADA accommodations. The SSIOAHS conducted the walk with the understanding that the interim nature of the current State Street Promenade and 400 and 1300 blocks of State Street, now over two years old, will likely be in an interim state for an additional two to five years. The SSIOAHS believes that the existing look, feel, general quality, and appearance

of parklets has, for the most part, significantly degraded over the past two years. The SSIOAHS is confident that several existing design guidelines, if made to be design requirements, would make a positive impact on the overall look and feel of the area with minimum cost or impact to new and existing in-street outdoor business facilities. The guidelines the SSIOAHS proposes to transition to requirements by December 1, 2022, are included in the attachment. If approved by City Council, City staff would solicit the input of a Historic Landmarks Commission subcommittee similar to when City staff originally developed the design guidelines back in the spring of 2020. Following input from that subcommittee, City staff will modify the existing *Guide To Operating A Business On The Temporary State Street Promenade* document to reflect the changes and immediately engage in public outreach to notify all participants of the coming changes.

### SSIOAHS Proposed Fee Structure for In-Street Outdoor Business Facilities

The SSIOAHS and City staff have heard from businesses and the community that the City should charge fees for commercial activities operating in the public right-of-way. Fees would be charged on a per square foot basis at a rate sufficient to generate enough revenue to pay for costs associated with ongoing maintenance of the State Street Promenade, including the 400 and 1300 blocks of State Street. Expenditures in Fiscal Year 2023 are estimated to be approximately \$600,000, including daily, weekly, and monthly cleaning, as well as quarterly deep cleaning, staffing, contracting, and equipment. For the current fiscal year, the Downtown Parking Program, along with \$300,000 in one-time ARPA funds, is paying all costs associated with the State Street Promenade, including the 400 and 1300 blocks of State Street. Noting the current rate of inflation and impacts on costs and services, and the need for additional equipment, expenditures for Fiscal Year 2024 are expected to be approximately \$675,000. This could include the cost associated with employing a 0.5 full-time equivalent code compliance officer, or similar, to provide regular enforcement of ADA requirements and, if needed, design requirements throughout the State Street Promenade, including the 400 and 1300 blocks of State Street and citywide parklets. As of now, only ADA requirements are enforced on outdoor dining facilities and parklets.

In developing fee options, City staff have accounted for various attrition rates, assuming that several of the 44 businesses with in-street outdoor business facilities will opt out of the program. Currently, 15,968 square feet of public right-of-way is used for in-street outdoor business facilities with approximately 12,000 square feet representing space immediately in front of businesses and an additional 4,000 square feet reaching beyond business frontages. Assuming an overall attrition rate of 25 percent, and a loss of 11 of the existing in-street outdoor business facilities, the estimated total of remaining in-street outdoor business facilities would be approximately 9,000 square feet. The proposed fee structure follows:

Proposed Rate: \$5.00 per square foot for all space within property frontage  
Estimated Monthly Revenue: \$45,000 (\$5.00 per square foot x 9,000 square feet).  
Estimated Annual Revenue: \$540,000.

Businesses that expand beyond the width of their business frontage (property line) should be subject to a higher rate for use of the additional public space as well as receive formal approval from the adjacent tenant(s) and property owner(s). City staff recommends a graduated rate for the use of space beyond a business' frontage as follows:

Proposed Rate: \$5.00 per square foot for all space within property frontage (from 1-100 percent)

Proposed Rates for Additional Space Beyond Business Frontage:

From >100 to 200 percent beyond the primary frontage: \$7.50 per square foot

From >200 percent and beyond the primary frontage: \$10.00 per square foot

Assuming the same attrition rate of 25 percent, and understanding that most businesses have expanded beyond their business frontage fall into the 101 to 200 percent category, the additional graduated fee would generate an estimated \$22,500 per month (\$7.50 per square foot x 3,000 square feet) or \$270,000 annually. When combined with the annual frontage revenue above (\$540,000), annual revenue is estimated to be \$810,000, sufficient to cover current estimated costs associated with ongoing maintenance of the State Street Promenade, including the 400 and 1300 blocks of State Street.

With Council's approval of a fee structure, any proposed fee is required to be considered and approved by the Finance Committee. Upon Finance Committee approval, City staff would then return to City Council for final consideration and approval along with the required fee resolution. As part of the development of a fee structure, City staff will develop a more formal process for licensing in-street outdoor business facilities modeled after the City's successful Outdoor Dining License Agreement Program. The submittal package would likely include a license agreement, mandatory insurance requirements, consent from adjacent businesses and property owners, maintenance and cleanliness requirements, and a site plan indicating, among other items, ADA requirements.

### SSIOAHS Proposed Parade and Portability Requirements

#### *Parades*

Council direction is required for final timing on when, or if, parades should return to State Street. Due to public safety concerns centered around a lack of emergency access due to in-street outdoor business facilities on State Street, the SSIOAHS recommends that parades not return to State Street during the interim operations period. City staff who work on special events and parades will work with parade organizers on identifying location options, including Cabrillo Boulevard, for future parades.

#### *Portability*

Council direction is required regarding portability for in-street outdoor business facilities on the State Street Promenade and the 400 and 1300 blocks of State Street. Portability provides a clear State Street Promenade to host parades as well as allowing for a more comprehensive deep cleaning of the public right-of-way on a quarterly basis. However, if parades will not resume on State Street during the interim operations period, the need for

portability is less of an imperative. As such, the SSIOAHS recommends that portability not be a requirement of existing in-street outdoor business facilities. Note: All new in-street outdoor business facilities must be portable.

However, if Council chooses to resume parades on State Street during the interim operations period, portability must be made a requirement of all existing in-street outdoor business facilities.

### ARPA-Funded In-Street Deep Cleaning and Decorative Lighting

On March 8, 2022, City Council allocated \$350,000 in ARPA funds to Downtown Parking to pay for in-street deep cleaning of the Promenade and enhanced decorative lighting.

#### *In-Street Deep Cleaning*

Council directed \$300,000 in ARPA funds go to quarterly in-street deep cleaning of the Promenade. The first deep cleaning was completed on August 15, 16, and 17, 2022. The in-street deep cleaning covered the 300 blocks through the 1200 blocks of State Street. Businesses were notified prior to the cleaning to clear as much of the right-of-way as possible to maximize the cleaning effort. The City contractor worked around the expanded outdoor business areas that were not removed.

#### *Decorative Lighting*

Council directed \$50,000 in ARPA funds go to decorative lighting along the State Street Promenade. Currently, there is decorative lighting across the Promenade intersections and mid-blocks. City staff conducted a nighttime field review and made a recommendation for 39 additional strings of decorative lights spanning State Street between the 400 and 1300 blocks including some of the 00 blocks to the west and east of State Street. The SSIOAHS supports City staff recommendations. The cost of the additional lighting and infrastructure needed to hang the lights is approximately \$75,000. There is enough funding from the Downtown Parking Measure C fund to cover the \$25,000 overage. City staff received bids for the decorative lighting on August 24, 2022, and are currently working with the Purchasing Department on issuing a Purchase Order. City staff anticipates the new lighting will be installed by October 14, 2022.

### ADA Enforcement Activity on the State Street Promenade and Citywide Parklets

ADA enforcement on the Promenade and Citywide parklets continues but is limited due to City staff resources. The City has engaged a Certified Access Specialist (CASp) to assist City staff with enforcement activities. On August 24, 2022, City staff and the CASp completed the second round of ADA enforcement on the State Street Promenade, including the 400 and 1300 blocks of State Street. Prior to August 24, 2022, there were 22 businesses that were not compliant with ADA standards. The recent enforcement revealed that 11 businesses had moved into compliance with ADA standards and 11

remain out of compliance. Those found not to be in compliance require mostly small changes to their in-street outdoor business area. City staff will continue to enforce ADA requirements and work with these businesses to achieve ADA compliance.

City staff is currently working with the CASp to conduct ADA inspections on parklets citywide. Staff anticipate the initial inspections will take place by the end of September.

**BUDGET/FINANCIAL INFORMATION:**

The SSIOAHS and City staff have heard from businesses and the community that the City should charge fees for in-street outdoor business facilities in the public right-of-way. Fees are proposed to be charged on a per square foot basis at a rate sufficient to generate enough revenue to pay for costs associated with ongoing maintenance of the State Street Promenade, including the 400 and 1300 blocks of State Street. Expenditures in Fiscal Year 2023 are estimated to be approximately \$600,000, and approximately \$675,000 in Fiscal Year 2024, including daily, weekly, and monthly cleaning, as well as quarterly deep cleaning, staffing, contracting, and equipment. For the current fiscal year, the Downtown Parking Program, along with one-time ARPA funds of \$300,000, is paying all costs associated with the State Street Promenade, including the 400 and 1300 blocks of State Street, so no additional expenditure appropriations are needed at this time.

A graduated rate structure starting at five dollars per square foot for all space within property frontage and increased fees for space beyond the property frontage would generate an estimated \$800,000 for Downtown Parking annually, enough to adequately cover costs associated with maintenance and operation of the State Street Promenade and the 400 and 1300 blocks of State Street (as detailed earlier in the SSIOAHS Proposed Fee Structure section of this report). With Council's approval of a fee structure, any proposed fee is required to be considered and approved by the Finance Committee. Upon Finance Committee approval, City staff would then return to City Council for final consideration and approval along with the required fee resolution and related appropriations.

**ATTACHMENT:** SSIOAHS Proposed Design Requirements

**PREPARED BY:** Brian J. Bosse, Public Works Downtown Manager/nv

**SUBMITTED BY:** Clifford M. Maurer, P.E., Public Works Director

**APPROVED BY:** City Administrator's Office