



TO: T.C. Broadnax, City Manager
FROM: Peter Huffman, Planning and Development Services Director
Jana Magoon, Planning Manager, Planning and Development Services
COPY: City Council and City Clerk
SUBJECT: Ordinance Amending Tacoma Municipal Code 9.08 by Eliminating Permit Fees for Sidewalk Cafés – June 23, 2015
DATE: June 23, 2015

SUMMARY:

Sidewalk cafés are recognized as a special street occupancy that promotes desirable street life that can have favorable economic impact by encouraging visitation to City business districts and result in patronage of its businesses. In April 2014, Council Member Thoms requested a review of the City’s Sidewalk Café Permitting and Inspection Process. The City currently charges a \$120 application fee for review and processing of sidewalk café permits. Amending Tacoma Municipal Code (TMC) 9.08 by eliminating the fee for permitting would reduce the cost associated with the installation of sidewalk cafes and help to encourage this use within business districts, thus promoting economic development and revitalization of the City.

COUNCIL SPONSORS:

Deputy Mayor Boe and Council Members: Campbell, Mello and Thoms

STRATEGIC POLICY PRIORITY:

This requested ordinance change would help to meet the City Council’s strategic policy priority of fostering a vibrant and diverse economy with good jobs for all Tacoma residents.

BACKGROUND:

Sidewalk cafes are regulated by TMC Title 9.08, Street Occupancies. The term “street occupancy” includes any surface, above surface, and subsurface occupancy or use of the public right-of-way wherever located in the City of Tacoma. Sidewalk cafés are a type of street occupancy that uses a portion of the sidewalk for private business use, and generally includes nonpermanent uses such as furniture (tables and chairs), but may also include permanent features such as awnings or attachments of fencing to the sidewalk.

Sidewalk cafes account for approximately 13 percent of all street occupancy permits (SOPs) issued by the City. In 2014 the City received 45 applications for SOPs, 10 of which were for sidewalk cafés. . The City currently has a total of 290 active SOPs, 38 of which are sidewalk cafes. New application fees for sidewalk cafes are \$120, and the annual renewal fee is \$90. In 2006, the application fee for new sidewalk cafes was reduced from \$320 to \$120 to encourage this type of use.

At the June 23rd Economic Development Committee meeting, the committee supported the forwarding of this ordinance for First Reading at the June 23rd City Council meeting for City Council consideration.

ISSUE:

The City would like to further encourage installation of sidewalk cafes by eliminating the \$120 application fee that is currently charged for review and processing of the permit. This requires modifying TMC 9.08 to remove the fee for sidewalk cafes currently in the ordinance.

ALTERNATIVES:

There are three alternatives related to sidewalk café permit fees:



1. Alternative 1: Do not modify TMC 9.08 to remove fees for sidewalk cafes -This alternative does not modify the ordinance and keeps the current \$120 fee in place.
2. Alternative 2: Postpone modifying TMC 9.08 until Fall, 2015 - This alternative delays modifying the fees in TMC 9.08 until Fall, 2015 when efficiencies related to the transition of permitting from Public Works to Planning and Development Services (PDS) can be further evaluated in order to determine appropriate fees for this type of service. PDS will also be modifying the TMC to change approval authority to the Planning and Development Services Director as well as modifying insurance requirements as recommended by the City's Risk Management division.
3. Alternative 3: Remove application fee for sidewalk cafes from TMC 9.08 – This alternative removes the current application fee of \$120 for sidewalk cafes. The City will be reviewing and processing this permit for no fee.

RECOMMENDATION:

Staff recommends eliminating the current fee in TMC 9.08 for new applications for sidewalk cafes.



FISCAL IMPACT:

In 2014, a total of \$1,200 was collected from application fees for new sidewalk cafes. These fees are intended to pay for the review and processing of the permit. Although the fiscal impact is minimal, the fees that are currently charged for these services may not be full cost recovery. With the recent transition of street occupancy permitting from Public Works to Planning and Development Services, there is a need to evaluate the full cost of review and processing of these permits.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND_4110	542000	4322310	(\$1,200.00)
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: In 2014, \$1,200 was collected for new sidewalk café permits. If this fee is eliminated, and if the approximately the same number of permits are issued in 2015, the lost revenue to the permit enterprise fund would be approximately \$1,200.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

Not an expense. The possible lost revenues would have a minimal impact to the permit enterprise fund.