



City Council Agenda Report

Meeting Date: June 11, 2024

Initiated By: City Council

Prepared By: Anthony Carnesecca

Approved By: Gabriel Engeland

Subject:

Implement measures that would support parklet applicants as they transition to the permanent program

COUNCIL PRIORITY AREA

- ☒ Business Communities
- ☐ Circulation Safety and Efficiency
- ☐ Environmental Sustainability
- ☐ Housing
- ☐ Neighborhood Safety Infrastructure
- ☐ General Government

RECOMMENDATION

Direct staff to provide any of the following implementation measures that would support parklet applicants as they transition to the permanent program.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION

- Would the City Council wish to direct staff to provide any of the following implementation measures that would support parklet applicants as they transition to the permanent program?

FISCAL IMPACT

Fiscal impact would depend upon the approved actions by City Council.

PREVIOUS COUNCIL CONSIDERATION

November 19, 2019; August 28, 2020; November 30, 2021; January 24, 2023; & April 11, 2023

SUMMARY

- The City of Los Altos has adopted permanent parklet guidelines for restaurants that wish to operate in the public right-of-way.
- 11 restaurants have received approval of their parklet applications that are now working to prepare construction of their parklets.
- City Council requested that City staff identify measures that would support parklet applicants as they transition to the permanent program which are included for discussion today.

BACKGROUND

In August 2018, the Los Altos City Council adopted the Downtown Vision. The vision provides the City of Los Altos with long-term improvements and short-term programs that will increase vibrancy in the downtown triangle. Outdoor dining was identified as an effective way to provide unique and positive dining opportunities for residents and visitors in Downtown Los Altos.

In November 2019, the Los Altos City Council unanimously approved the City of Los Altos Pilot Parklet Program. This pilot program was intended to allow restaurant owners to build parklets that would expand outdoor seating opportunities through Fall 2021 and would allow restaurants to have two full years with their parklets before a Council review of the program. Many restaurants were interested, but some were hesitant to invest money on a parklet installation for a two-year period without a long-term timeline. Zero parklet applications were received from restaurants under the pilot program prior to the start of the COVID-19 pandemic.

In summer 2020, the City began exploring potential options for restaurants to expand their outdoor dining space into the public right-of-way. Through many meetings with community stakeholders, the City decided to close sections of downtown streets for “Open Streets Los Altos” allowing restaurants to expand their outdoor seating area into the public right-of-way with approved permit application and proof of liability insurance. This program closed Main Street and State Street for pedestrian-only traffic every Thursday morning through Sunday night from June 2020 through September 2020. City staff met with restaurants, retailers, and personal service businesses who indicated that parklets may be a middle ground solution allowing restaurants to have outdoor dining space while re-opening the street to vehicular traffic and open additional parking spaces near storefronts.

As Open Streets Los Altos came to a close, the City implemented the COVID Parklet Program in Fall 2020. Through the COVID Parklet Program, businesses installed a protective barrier of wine barrels filled with 500 lbs. of water, sand or concrete along the perimeter of the parklet.

At the January 24, 2023 City Council meeting, staff presented a draft outdoor dining program. City staff then presented to the Los Altos Chamber of Commerce Government Affairs Committee on February 1, 2023, hosted a direct Q&A session with business owners on February 2, 2023, and presented to Los Altos Property Owners Downtown on February 8, 2023 for larger group feedback sessions before meeting individually with all COVID parklet operators.

At the April 11, 2023 City Council meeting, the City Council adopted the Los Altos Outdoor Dining Program which provided guidelines for permanent parklet installations, sidewalk dining, and outdoor displays within the public right-of-way. Council directed restaurants to begin this process by January 1, 2024 allowing them to get through summer and end of the year rush prior to beginning their work on parklets.

City Council directed staff to procure molds for the concrete planters through a precast concrete company to lower the per-item expense for restaurants moving forward.

In the middle of summer last year, the City was notified that the County Assessor's Office may levy property tax assessments on parklet areas. The City collaborated with the Silicon Valley Economic Development Alliance, a consortium of fellow economic development professionals across the Bay Area, to understand this potential new assessment, specifically cost basis, parameters, requirements, and more information. The County responded in October 2023 with little information because they are still working through the logistics of these assessments.

The City was not able to ascertain if there was any way to modify our existing program to limit this assessment under this program so City staff moved forward with preparations for the existing program. The City has included language within our parklet agreement that ensures restaurants are aware of this possibility and understand they will be responsible for any associated assessments.

City staff met individually with all COVID parklet operators downtown to discuss the program moving forward and help them understand their options before the end of December 2023.

All non-conforming parklets, which are parklets at businesses that have not applied or denied, have been removed from the public right-of-way.

DISCUSSION/ANALYSIS

At this point in time, the Development Services Department approved 11 parklet applications. These restaurants are now working to construct their new parklets to the approved specifications with deck structures that will meet the sidewalk grade and concrete planters with metal railings between them, per the Parklet Guidelines.

Approved applicants have been given until June 30, 2024 to complete construction of their parklets, but they are facing the challenge of needing more time to procure their concrete planters. Restaurants are able to use any vendor to create planters that meet the program specifications. The City has purchased three molds through a precast concrete company that is working as quickly as possible to create these barriers at a lower cost, but there is a fixed number of planters that can be created per day per mold.

The most significant fixed cost in the parklet installation are the concrete barriers that are intended to provide significant public safety by ensuring that customers do not enter the street from the parklet and that vehicles will not be able to enter into the parklet dining area. The barriers cost about \$800 per barrier so a restaurant will pay roughly \$9,000 for ten barriers and delivery costs to Los Altos.

The Chamber of Commerce requested a meeting with City staff on May 22, 2024 to discuss potential options for restaurants as they transition to permanent parklets. At this meeting, City staff agreed to pick up wine barrels and dispose of them to lower the cost and effort required of businesses in the transition process. Additionally, City staff agreed to review individual

applicants' materials to ensure they are compliant with the guidelines if they are able to find alternative options for the procurement of cheaper materials.

At the May 28, 2024 City Council meeting, Mayor Weinberg, Council member Fligor, and Vice Mayor Dailey requested that City staff return with information on how the City could further support the implementation of parklets at restaurants.

City staff identified some potential ways that City Council could support restaurants through the implementation of their permanent parklets:

- Allow restaurants to continue operating in their temporary parklets through the delivery of their concrete planters as long as there is a defined end date, such as August 30, 2024. This would ensure that all remaining parklets will not need to be de-constructed by the targeted date of June 30, 2024, but can remain in place while they complete construction.
- Direct City staff to purchase more molds from the current vendor to expedite the speed with which these planters can be created. Each mold costs roughly \$4,000 and can create 25 planters per mold.
- Create a parklet barrier grant program where the City could provide reimbursed grants for the cost of the concrete planters up to a pre-determined amount, such as \$10,000 per restaurant. These barriers would then become property of the City so that they could be retained if restaurants close and they can be re-proposed by future restaurants.