



MEMORANDUM

TO: Mayor and Council Members

THRU: Nuria Rivera-Vandermyde, Deputy City Manager *NR*

FROM: Bill Manno, Program Manager, Austin Center for Events *Bill Manno*

DATE: August 25, 2020

SUBJECT: Update to Ordinance No. 20200604-047 Shop the Block Pilot Program

The purpose of this memo is to provide an update to Ordinance No. 20200604-047, creating the Shop the Block Pilot Program including the number of permits requested and approved, the program's effect on parking and right-of-way availability, and a measurement of the program's effectiveness.

Background

On June 4, 2020 City Council temporarily modified Chapter 4-20 of the Municipal Code to allow retail stores, restaurants, cocktail lounges, taverns and bars, or a group of any of the above, to extend their outdoor operational space to their full capacity. Ordinance No. 20200604-47 allows Austin's small and local businesses to use private parking lots and public right-of-way for expanded outdoor business operations in response to the COVID-19 pandemic. The pilot program is in effect from June 15, 2020 through December 15, 2020, unless the City Manager deems it necessary to terminate the program earlier.

Pilot Program Results to Date

Promotion and Outreach. The Shop the Block Pilot Program launched on June 15 and was promoted through social media and e-newsletters. Information about the program was directly shared with approximately 65,500 businesses from an interdepartmental outreach team including but not limited to the Economic Development Department (EDD), the Development Services Department (DSD), the Small and Minority Business Resource Department (SMBR), Austin Center for Events (ACE) and Austin Public Health (APH). Communication and outreach efforts resulted in attention from various media outlets. A flyer and dedicated webpage have been developed under the ACE webpage and information will be reshared in departmental newsletters at least monthly.

Permit Applications. ACE received eight program inquiries in addition to 12 permit applications for seven different businesses. Applications were for sidewalk café extensions and private/shared parking lot extensions. No permits for public parking spaces or street/lane closures were submitted.

- 6 total permits issued to date; 2 of which are renewals
- 2 in review

- 2 cancelled applications (pursuant to Governor's Order temporarily closing bars)
- 1 denied due to applicant non-responsiveness
- 1 denied due to active Code violation

Community Feedback. To gather input about the program, staff developed a survey, which included questions about how participants became aware of the program; effectiveness of the program on their business; how participants would rate the process including program applicability and staff support; and why participants did not apply if they inquired but did not submit an application.

All businesses who inquired about or applied for a permit under this pilot program received a survey. The survey was also sent to members of the Food and Beverage COVID-19 Recovery Working Group (which includes 11 people) and shared by the Greater Austin Restaurant Association to their membership. Of the surveys distributed, seven survey responses were received. Respondents included five restaurants, one bar, and one business who chose not to identify their business type. In addition to the surveys, staff solicited input from businesses one on one.

Initial feedback from stakeholders includes:

- Outdoor dining options are not ideal at this time due to the current high summer temperatures in the Austin-Travis County area;
- Program application costs are prohibitive;
- Application renewal process poses challenges, including 30-day renewal requirement, new review and inspection, even if the site plan remains unchanged; and
- Because Austin is currently in the Stage 4 Risk category, reduced foot traffic prevents the program from being worthwhile until a lower risk category is reached.

Staff Analysis and Program Adjustments

Since implementing the Shop the Block Program, staff has not seen a negative impact on parking areas and rights-of-way availability. Additionally, while the 10-business-day turnaround can be a challenge if the applicant delays submitting appropriate documentation or is unresponsive, there have not been any negative impacts to staff or resources. However, Austin-Travis County also entered Stage 4 of Austin Public Health's Risked Based Guidelines just 11 days after the program launched. Individuals have been directed to avoid all non-essential dining and shopping. Overall, the City has experienced a reduction in business-related pedestrian and vehicular traffic due to COVID-19. Therefore, the low levels of participation may not offer a true picture of the program's effectiveness based on the first 60 days of implementation.

Stakeholder concerns regarding fees require additional review and consideration since fees for the Shop the Block Program vary depending on permit requests. For example, requests for use of right of way (ROW) to place tents or other structures to accommodate more than 50 people will require involvement by at least the Austin Transportation Department (ATD) to review and inspect the ROW request and Austin Fire Department (AFD) to review and inspect the structure and occupancy request. To date, permitting data indicates that, of the six permits issued, five permits were issued without any fees assessed. The five permits issued without fees involved requests to use a portion of an adjacent parking lot for fewer than 50 people. In accordance with Code requirements, the review and inspection process only triggered a Special Event Permit. Because the City has not yet adopted a Special Event Permit fee, no fees were assessed. The sixth permit was assessed at \$357 in fees because the permit application requested establishing two new large temporary tents to accommodate more than 50 people on a portion of private property, which triggered review and inspection by AFD. The applications currently

under review may result in fees assessed; one for review and inspection by AFD only, and another for review and inspection by ATD for use of right of way. As the pilot program progresses and more businesses participate, staff will be able to evaluate the impact of permitting costs.

To retain current program participants and reduce barriers to participation, ACE adjusted its renewal permitting process to make it easier for business applicants. Now, the permitting system retains the original permit application information in a renewal application permit folder. This saves the business and staff time during the renewal process. Additionally, ACE staff notified the ATX Recovers Team about stakeholder feedback, specifically that providing businesses with financial assistance to purchase cooling or shading infrastructure to support outdoor business activities while mitigating heat risks might help businesses in their recovery efforts.

Recommendation and Next Steps

Although the participation rate has been low, those that have received permits indicate that they are benefitting from the program. Staff agree with stakeholders that fall temperatures and reductions in local positive COVID-19 cases may increase participation in the Shop the Block Program. Staff recommends continuing the program with the hopes that additional businesses can benefit in the coming months. Staff will continue identifying opportunities to improve the program, such as making more adjustments to the renewal process or evaluating options to reduce permitting costs. Additionally, staff will continue reaching out to businesses to encourage them to apply and participate.

For more information about the Shop the Block Pilot Program, please contact Bill Manno, ACE Program Manager, at william.manno@austintexas.gov.

Cc: Spencer Cronk, City Manager
Denise Lucas, Director, Development Services Department
Veronica Briseño, Chief Economic Recovery Officer
Jessica King, Interim Director, Communications & Public Information Office