



MEMORANDUM

TO: Mayor and Council

THRU: Rodney Gonzales, Assistant City Manager

FROM: Denise Lucas, Director *Denise Lucas*
Development Services Department

DATE: November 30, 2020

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

The purpose of this memo is to provide an update on the Shop the Block Pilot Program, including information on the number of permits requested and approved, results from the customer survey, and recommendations to extend the program for six months and improve the program in the next phase of the pilot. This memo follows the [60-day staff update](#) provided August 25, 2020.

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. 20200604-047 established the Shop the Block program which 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. As detailed in the previous memo, information about the Shop the Block program was promoted through social media, e-newsletters, and directly shared with approximately 65,500 businesses. In addition, a flyer and dedicated webpage were developed under the ACE webpage, and information has been shared in departmental newsletters at least monthly. Ongoing coordination with the Economic Development Department, City partners, and the Offices of Council Member Pool and Council Member Tovo have resulted in further Shop the Block outreach.

Permit Applications. ACE has issued 51 total permits to date, 26 of which are renewals. Six permits are currently in review. Six applications were not approved for the reasons below:

- 3 cancelled applications (2 were pursuant to Governor's Order temporarily closing bars)
- 1 denied due to applicant non-responsiveness
- 1 denied due to active Code violation that has since been corrected
- 1 denied due to not meeting eligibility requirements for their intended use

Community Feedback. On November 10, 2020, staff distributed a second survey to gather updated input about the program. All businesses who inquired about or applied for a permit under this pilot program received a survey. The survey was also sent to the ACE email distribution channels and other inter-departmental email lists to maximize distribution. 36 responses were received.

Initial feedback from stakeholders indicates:

- Businesses would like the option to use sound equipment to enhance the customer experience.
- The program should include special event venues as an allowable business type to encourage safe and regulated outdoor operations.

Staff Analysis and Operations

Since implementing the Shop the Block Program, staff has not seen a negative impact on parking areas and rights-of-way availability. There has been a steady increase of applications over the last six months, and staff have been able to manage the additional administrative, review, and inspection work to facilitate the program. Austin Fire Department (AFD) has occasionally found it necessary to perform multiple inspections on the same location to ensure the seating layout is in alignment with submitted plans and/or that it has not changed since submittal. However, all applicants have been responsive to AFD's instructions and no citations have been issued for the program.

Recommendations and Next Steps

Based on program performance to date, staff recommend that the pilot program be extended for another six months, at which time further analysis of the need for the program can be considered. Generally, feedback from applicants has been positive and staff believe that additional changes to the program will increase participation.

ACE also recommends extending the length of the Shop the Block permit from 30 days to 180 days. This will reduce the administrative and cost burdens for applicants, as well as for staff. However, if an applicant wishes to change their layout after their plan has been submitted and approved, staff recommend that the applicant be required to submit a written request and pay an event permit revision fee. These funds are intended to cover the staff costs to review the site again. To reduce the instances these fees will be assessed, marketing materials will highlight this change and encourage applicants to submit plans only once.

Staff also recommend removing the prohibition on sound equipment with the following requirements:

- The applicant develop a sound plan that is reviewed for volume and appropriateness under the existing Tier 2 special event process;
- The sound not exceed 70" A' weighted decibels, which is the current allowable level for restaurants; and
- The sound cease at 10 p.m.

We understand the importance of not allowing participants to host performance-centered events. This concern is balanced against the benefit that music enhances the customer experience and supports the local, creative sector economy. The recommended regulations and oversight help to address concerns while providing businesses and musicians with additional opportunities to connect with customers.

Community input suggested a strong desire to expand the Shop the Block program to include special event venues. Staff considered this suggestion, and while there is general support for expanding the program to include this business type, staff believe more appropriate timing to be when the COVID-19 Community Risk level is lower, for example Stage 2 of the Risk-Based Guidelines.

During this next phase of the pilot program, staff will continue to examine the effectiveness and need for the program so that additional recommendations can be brought forth in June 2021.

For more information about the Shop the Block Pilot Program, please contact Brydan McNeely, Consumer Services Manager with the ACE Team, at brydan.mcneely@austintexas.gov.

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