



MANAGEMENT REPORT

Date: March 1, 2023
To: Infrastructure, Transportation and Safety Sub-committee
From: Chris Bantock, Deputy Clerk
Report #: ITS23-009
Attachments: 1 - 2023 Outdoor Patio Guidelines
2 – Engage Stratford Survey Responses

Title: 2023 Outdoor Patio Program

Objective: To provide information to Council regarding rollout of the 2023 Outdoor Patio Program.

Background: Prior to the Covid-19 pandemic, the City offered a single type of patio for businesses eligible to obtain an Outdoor Café License. This patio type is referred to as a standard outdoor café and is identified as being immediately adjacent to a building and cannot encroach onto a pedestrian corridor.

In 2020, following the onset of the pandemic, the Patio Boardwalk Project was initiated. The project, funded by the Tourism Recovery Project (FedDev Ontario), allowed for the building of 20 wooden boardwalks to be installed in the downtown core. This introduced a second type of patio option that is referred to as a patio-boardwalk extension. This patio type allows the extension of a standard outdoor café onto the pedestrian corridor portion of the sidewalk by redirecting pedestrian traffic through a boardwalk which sits in parking spaces.

The third patio type, introduced in 2021, is referred to as a pop-up patio. This type of patio allows the outdoor café to be placed directly in the area of parking spaces that are adjacent to the restaurant. With this option, the sidewalk remains available for pedestrian use as the patio is fully located in parking spaces. This patio option is not available for businesses along Ontario or Erie Streets due to health and safety concerns.

In preparation for the 2023 patio season, Engage Stratford was utilized to gather feedback on the future of the program. The purpose of this report is to highlight themes identified in stakeholder responses and planned updates to the program for this year.

Analysis:

Program Participation

In 2022, the Clerk's Office issued 20 Outdoor Café licenses which were made up of 5 standard outdoor cafés and 15 boardwalk-extension patios. This was down from 2021 where 30 licenses were issued and were made up of 7 standard outdoor cafés, 19 boardwalk-extension patios, and 4 pop-up patios. Most notably impacting the program for 2022 was a combination of removed social distancing requirements and suspending license fees only for restaurants that do not serve alcohol. With patio extensions initially being introduced to reduce business pressures of not being able to dine indoors during the pandemic, a return to indoor dining in 2022 may have left some businesses weighing the value when normally charged license fees were resumed. Further, while Council did approve the waiver of Outdoor Café License fees for restaurants not serving alcohol, only 2 of the 20 licensees from 2022 fell into this category.

Engage Stratford

For a period of 3 weeks, between January 12 and February 2, a survey was available on Engage Stratford to provide feedback on the City's patio program. During this time, 1,583 individuals submitted survey responses via Engage Stratford, with an additional 3 responses submitted in person via hard copy. While the summary report is included as Attachment #2 to this report, highlights of the survey include:

- 87% of respondents being residents;
- 17 businesses intending to apply for an Outdoor Café License in 2023;
- 2023 fees not being a deterrent for a majority of businesses;
- 83.7% of respondents feeling happy overall in their experiences with the City's patio program;
- at least 75% of respondents reporting a great or good experience in relation to the program's accessibility, customer service, downtown beautification, safety, and visitor attraction; and,
- 81% of respondents reporting that patio extension options which take up parking spaces should be continued as a part of the program.

In addition to the highlights above from the survey's static questions, the survey also offered open-ended questions which allowed respondents to share their thoughts and feedback more freely on the program. Upon review of the responses, four main themes arose most consistently throughout the feedback provided:

Adjusted season length

In accordance with the City's policy P.3.3 - Use of Municipal Property, Boulevards and Sidewalks, the current patio season in any given year runs from May 1 to October 31. Feedback provided in relation to this category included suggestions of making the patio extensions a permanent fixture, allowing patios to operate into winter months, and

starting the season a month earlier. This feedback has been shared previously by those participating in the program, however, the main concern from staff remains the ability to complete winter maintenance activities. While snow in April may not be as likely as other months, permitting patio operation as early as April 1 could inhibit the ability to properly clear the downtown core should snow or ice removal be required. Given the further interest in this matter, staff can continue to review to see if additional options may be available to consider regarding the length, and start and end times, of the City's patio season.

Fees

In accordance with the City's Business Licensing By-law and Fees and Charges By-law, fees for Outdoor Café Licenses currently include a flat rate license fee and a per square metre fee. The approved fees for 2023 are \$634 + \$2.70 per sq. ft. This results in a tiered system where those with larger patios will pay more than those with smaller patios. In the 2020 and 2021 patio seasons, Council approved the suspension of all patio fees due to the Covid-19 pandemic. In the 2022 season, Council approved the suspension of patio fees for restaurants that do not serve alcohol. With respect to feedback provided on fees, a majority of respondents in this area felt that fees for 2023 were still too high based on continued recovery from the pandemic. However, about half as many respondents also indicated support for the current fees based on the loss of parking spaces and the benefit of additional seating space. At this time, staff are supportive of the current fees given the absence of physical distancing restrictions, the loss of parking revenue experienced during patio season, and seeking greater cost recovery to administer the program. Further, should fees be reduced or suspended for Outdoor Café Licenses, the City would need to be prepared for additional requests that may come forward from other businesses licenced through the By-law. As noted below in the financial implications section, this program with fees as set for 2023 does not achieve full cost recovery. As a result, any fee reduction would only further impact overall net revenue to the City.

Safety

Of the five areas that respondents were asked to rate their experience on in relation to the patio program, safety had the most responses of either "somewhat poor" or "poor". Looking at this closer through the open-ended feedback, it was identified that the two main safety concerns reported were slippery boardwalks and tripping hazards. Slippery boardwalks was an issue identified following the inaugural season of the boardwalk-extensions in 2020. For the 2021 season, a company was contracted to apply an anti-slip coating to all boardwalks to mitigate the issue. At the time of application, the company advised that annual application was not necessary and could be considered every other year. Recognizing that there were additional concerns raised during the 2022 season, three updates to address slips and falls have been actioned:

1. annual application of the anti-slip boardwalk coating beginning in 2023;

2. installation of “slippery when wet” caution signs at both access points on all boardwalks; and,
3. removal of flowerboxes on boardwalk railings to avoid additional debris and water being added to the surface of the boardwalks.

With respect to tripping hazards, staff have historically reviewed each boardwalk following installation to ensure that boards have not been loosened and that transition pieces lineup properly with the adjacent sidewalk. When any concerns are identified mid-season, Public Works staff have assisted in providing repairs. One specific area of concern identified in 2022 and within the survey feedback is the sidewalk transition on the East side of the boardwalk installed at Mercer Hall. Due to the infrastructure in this area, the East side of the boardwalk was placed next to a flowerbed. For the 2022 season, the flowerbed was filled with plywood, woodchips, and packed limestone. Unfortunately, none of these options resolved the potential tripping hazard. For a more permanent solution moving forward, and in consultation with both Community Services and Infrastructure and Development Services, this flowerbed will be removed and replaced with concrete.

Use of parking spaces

While 81% of respondents reported that patio extension options which take up parking spaces should be continued as a part of the program, many who shared open-ended feedback commented on the lack of available parking during patio season. However, in 2022, the patio program only occupied 40 parking spaces of the total 1,239 available (3%) in the downtown core. From a revenue perspective, the City has never attempted to recover lost parking revenues from licensees and is not seeking to do so at this time. However, for context, 40 parking spaces from May through October in a normal year generates revenue of approximately \$53,000 based on average occupancy levels in 2019, along with the current rates, and number of enforcement hours/days.

Consultations with Downtown Stratford Business Improvement Area (BIA)

Staff began consultations with the BIA in late 2022 on the 2023 patio program. The BIA provided feedback on safety concerns similar to that noted above and are being addressed for the 2023 season. BIA representatives also provided input into the Engage Stratford Survey and issued their own survey to BIA members which was focused more on economic information. Of 20 respondents, key findings from the survey, as shared by the BIA, included:

- the majority of respondents feeling that the patios offer a positive ambiance;
- participants noted increased employment opportunities, foot traffic, and revenues;
- this still being a tough economic year as government loan repayments have started, wage subsidy's have ended, and costs have increased;
- downtown businesses could use some relief from the fees for this year only; and

- things like barricades and anything else that detracts the beauty and the ambiance need to be eliminated.

City staff and the BIA are committed to ongoing dialogue for enhancing the City's patio program. Feedback and consultations between the City and BIA representatives will continue through the 2023 season, with attention turned to the 2024 season later this year.

Outdoor Patio Guidelines

Since 2021, staff have created and updated guidelines for businesses to reference when applying to receive an outdoor café license. Several adjustments have been made to the guidelines for 2022 based on issues arising or gaps identified from the 2021 season. Highlights of these changes include:

- removal of reference to social distancing requirements with Huron-Perth Public Health (HPPH) providing comment and inspection of patios as needed in relation to any provincial regulations in effect related to public health;
- that at no time prior to patio approval there are any visible deficiencies with regards to the Ontario Fire Code O. Reg. 213/07 as amended;
- the applicant and individual named when entering into an agreement with the City for an Outdoor Café License must be the owner of the business making such application;
- adding reference to the Smoke Free Ontario Act Fact Sheet that is available on HPPH's website;
- the City, in its sole and absolute discretion, having the right to remove a boardwalk at any time due to non-compliance with patio guidelines, agreements, or City policies;
- that at no time shall a boardwalk or other City property be moved or removed by anyone other than the City; and,
- updated AGCO permitting requirements for 2023.

Financial Implications:

Financial impact to current year operating budget:

With respect to operations of the program, the annual budgeted expenditures for boardwalk installation/removal are \$18,000 and for application of anti-slip coating to boardwalks is \$4,500. Based on current license fee rates, revenue in the amount of approximately \$24,500 can be expected for 2023. Including projected lost parking revenue of \$30,000, the estimated overall levy impact to administer the program is \$28,000.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Alignment with One Planet Principles:

Health and Happiness

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Staff Recommendation: THAT the 2023 Outdoor Patio Guidelines be received;

AND THAT direction be provided regarding any changes required to the City's Outdoor Patio Program for either the 2023 patio season or for consideration in future years.

Prepared by:

Chris Bantock, Deputy Clerk

Recommended by:

Karmen Krueger, CPA, CA, Director of Corporate Services

Joan Thomson, Chief Administrative Officer