

REPORT

2024 Budget Committee

Meeting Date: September 6, 2023

FROM: Economic Development Department
Planning Services
Transportation and Engineering

DATE: August 29, 2023

SUBJECT: Seasonal Commercial Patio Program

LOCATION: Town-wide

Town-wide

Page 1

RECOMMENDATION:

That staff incorporate the funding request in this report into the budget process and prioritize along with other known budget pressures.

KEY FACTS:

The following are key points for consideration with respect to this report:

- The Seasonal Commercial Patio Program is a new level of service. It is recommended that the cost associated with the program, as outlined in this report, be included in the 2024 budget.
- This report provides an overview of the annual operational costs and one-time capital costs required to implement the Seasonal Commercial Patio Program. It also provides an overview of the cost-recovery model.
- The financial requirements to implement the program are based on the framework of the Seasonal Commercial Patio Program included as Appendix D. Staff will report back to Council for final approval of the Seasonal Commercial Patio Program later in 2023, after additional consultation is completed. It is not expected that the consultation will result in any adjustments to the budget request.
- In 2020-2023, all costs associated with the patio program were waived. It is recommended that starting in 2024, a portion of the costs required to implement the program be recovered in the form of user fees while

maintaining a focus on keeping the program financially accessible for participants.

- Commercial patios and bistros located throughout Oakville contribute to the liveability of our community, activate the streetscapes, add vibrancy to our commercial districts and provide sought after outdoor dining opportunities.

BACKGROUND:

Program History

Patios and bistros have been permitted in Oakville for well over a decade. The program initially started with staff responding to one-off requests to set-up patios on the boulevard. In 2014, a pilot program was initiated to test on-street installations. In 2020, Council approved the Commercial Recovery Initiative (CRI), in order to support local businesses in a response to Covid-19 pandemic restrictions. The CRI relaxed some of the requirements of the pilot program and waived both patio permit and on-street patio parking fees. While participation in the patio programs has always been healthy, the town saw a significant increase in participation in the program as a result of the CRI, requiring increased staff time to implement the program. The CRI was completed on December 31, 2022.

At its February 27, 2023 meeting, Council extended the permissions of the CRI into the 2023 patio season. At that meeting, town staff reported that a permanent Seasonal Commercial Patio Program was in development and would be brought forward as part of the 2024 budget process. A full chronology of the patio programs and initiatives can be found in Appendix A.

Throughout the various iterations of the patio program, a number of lessons have been learned and the implementation of a permanent Seasonal Commercial Patio Program (SCPP) will not only provide predictability for operators, but also ensure that the program is properly resourced and funded so that it can continue into the future.

Seasonal Commercial Patio Program (SCPP) Development

The SCPP builds on the success of former patio initiatives, evolution and learning, environmental scan of other jurisdictions' successes and challenges, best practices related to safety, and stakeholder engagement. The SCPP includes sidewalk and boulevard patios, bistros, on-street parking stall patios, and outdoor merchandising areas located on public property where approval for the private use of public property is required. Refer to Appendix B for examples of the types and locations of outdoor eating and activation opportunities on public lands.

The SCPP does not include the approvals for patios that are temporarily or permanently installed on public property located within or abutting urban squares, parks and open spaces. Approval for the use of those lands for patios remains under the jurisdiction of the Parks and Open Space and the Recreation and Culture departments. The permissions, costs, and conditions of use for patios in these locations will align with those set forth in the SCPP to ensure consistency.

Further, the SCPP does not include the approvals for patios that are temporarily or permanently installed on private commercial property. These installations will return to being assessed based on the land use permissions and zoning regulations for the specific property and the proposed positioning. Through the CRI program, when indoor dining was prohibited due to the pandemic, Council approved the installation of patios in required parking spaces on a cash-in-lieu basis to address potential non-compliance with the zoning by-law regulations. When indoor dining restrictions were lifted, requests for seasonal patios on private sites dropped considerably. (Refer to Appendix A) Moving forward, requests for patios on private property will be considered and processed through existing planning approvals and building permits, where applicable. The application fees for these processes are outlined in the proposed 2024 Rates and Fees Schedule.

Stakeholder Engagement

The development of the SCPP builds on years of working with restaurant participants, their neighbours, Councillors, and the Business Improvement Areas (BIAs), as well as learning and responding to feedback received over the past 9 years of the temporary programs.

From mid-June to the end of July 2023, three surveys were available to collect feedback on patios and components of the proposed program. Each survey had a specific target audience: the public (residents, workers, and visitors); restaurant and café owners and employees; and non-food service businesses. The link to the online surveys were circulated via email to current and past program participants and to BIA administration for distribution to their membership and on public promotions. The surveys were also promoted on social media, paid social media ads, town website heroes, e-newsletters, and digital information boards and kiosks.

Generally, all three groups surveyed showed overwhelming support for a seasonal patio program and the previous pilot initiatives were considered to have been successful and should be continued on a seasonal basis.

Public Survey: More than 1,000 Oakville residents responded to the survey. Respondents found patios easy to access and believed patios add to the vibrancy of the Town and benefit local businesses. However, about one-third of respondents believed that eating/drinking so close to moving vehicles was not pleasant, with a

number of comments related to vehicle fumes and noise. In parallel, residents showed greater support for patios on sidewalks, than in on-street parking spots.

Restaurant Owners and Staff Survey: Twenty-nine restaurant owners and/or staff responded to the survey, showing strong support for the program. However, there was a lack of support for greater standards and regulations, and significant concerns related to the costs of installing patios, including the application fees and costs related to increases in liability insurance coverage.

Non-Food Service Business Owners: Only fourteen responses were received, and the limited response showed significant support for the patio program, with the majority believing restaurant patios add to the vibrancy of the town and benefit local businesses. However, there were some concerns noted related to the lack of available parking spaces.

Current and previous program participants were also offered opportunities for one-on-one meetings with staff, but the uptake was very limited. A summary of the survey results is presented in Appendix C.

Environmental Scan

An environmental scan of 15 Ontario municipalities was completed to compare various patio program components: including the types of patios and locations permitted, program logistics and coordination, application and permit processes, roles and responsibilities of municipal staff and program partners (BIA, Chamber, Tourism, etc.), program operation dates and participation fees, and participant requirements (insurance coverage, patio set-up, materials, etc.). In addition to this scan, staff have and will continue to search for potential subsidy and grants/funding opportunities to offset immediate and/or long-term program costs.

It became clear through this scan, that regardless of the various ways these jurisdictions structured and implemented their temporary and/or permanent patio programs, there are financial requirements placed on restaurateurs and business owners participating in the patio programs. The recommendations for the financial requirements for participation in the SCPP are in keeping with the other programs surveyed.

Best Practices Review – Safety and Accessibility Requirements

In addition to the scan of practices by other municipalities, staff also reviewed safety and accessibility requirements applicable to the installation and operation of patios. In 2021, staff participated in a working group alongside representatives from other municipalities, under the coordination of the Ontario Traffic Council (OTC) and CIMA+ engineering consultants, to create [‘Restaurant Patio Guidelines within the](#)

[Right of Way' \(2022\)](#). In the 2023 Patio Program, the installation of safety barriers was required for on-street patio installations. The barriers were supplied and deployed by town resources.

Staff has engaged CIMA+ to review the installation of on-street patios and associated safety barriers within the Oakville context to consider the various scenarios and barrier options to optimize safety. The recommendations will be incorporated into the SCPP standards and materials.

Seasonal Commercial Patio Program Completion

This report primarily focuses on the financial aspects of delivering a seasonal patio program by identifying the operational and capital funding requirements, and how a portion of those costs can be recovered through a user-fee approach. Staff will bring a report forward later in 2023 that will provide full details on the program logistics. Refer to Appendix D for an overview of the proposed SCPP framework.

COMMENT/OPTIONS:

One of the main objectives in developing the SPCC and budget request is to recover a portion of costs for the program while keeping the program affordable to encourage continued program participation.

Since 2020, the full cost of operating the program – administration, permits, use of parking spaces and supplying safety barriers – has been covered by the town through the Council-approved CRI. The implementation of this program has and will continue to require resources from multiple departments comprising of a core patio team, including Transportation and Engineering, Roads and Works, Municipal Enforcement, Planning Services and Economic Development.

The remainder of this report identifies and details the ongoing operating costs and one-time capital costs associated with the implementation of the SPCC.

Program Implementation Costs

Outlined below are the costs associated with implementing the Seasonal Commercial Patio Program. Program fees, such as permit fees, parking space rental, safety barrier rentals and deployment fees are based on these costs.

Staff Resourcing – Approving Applications and Monitoring Installations

Staff resources from the Transportation and Engineering department are required for the technical review and approval of patio permits on the municipal right-of-way,

installation inspections, appeals, responding to public complaints requiring attention, monitoring activities, and ensuring removals at the close of the patio season. In 2023, approximately 400 hours of staff time are estimated for this work.

The 2023 staff time has been reviewed and remains appropriate for 2024 based on the expected volume of patio applications, with a slight reduction due to the work being undertaken by Economic Development's new Commercial Area Coordinator (see staff resourcing below). As outlined below in Table 1, this equates to approximately \$28,000 in direct and indirect cost related to permit applications, inspections, and monitoring.

Staff Resourcing – New FTE in Economic Development (Commercial Area Coordinator)

While the sharp increase in demand for outdoor dining options grew out of necessity in 2020, a patio culture is now firmly rooted and reinforced with the overwhelming support through survey responses and observing full bistro spaces and patios. In developing the SCPP, it is clear that popularity and uptake has outgrown the ad-hoc staff supports assigned in the pilot program years and a dedicated coordination, liaison and promotion role is required to successfully implement the program.

A new position is required to coordinate the implementation of the SCPP. The position, temporarily titled "Commercial Area Coordinator", will be part of the Economic Development department. The duties of this position (0.3 FTE) will be associated with the SPCC as the centralized coordination role, which was once shared by staff from other departments that are returning to their core responsibilities.

The responsibilities of the FTE will include:

- Overall coordination of the patio program including:
 - acting as first point of contact, responsible for application intake and pre-screening for completeness
 - assigning permits to appropriate departments - Planning (for private property) or Transportation and Engineering (municipal right of way) for technical review and approvals
 - monitoring requests/inquiries/communications/complaints
 - referring complaints to appropriate departments as needed for resolution.
- Leading marketing and communications initiatives
- Leading the development of an online permit portal
- Continual monitoring of broader patio program trends

Economic Development also has other program pressures and will be submitting a request for an additional 70 per cent of a position through the regular budget

process. This additional role will be dedicated to supporting the work in the Economic Development Department, including:

- BIA Liaison – a first point of contact for the BIAs, as well as businesses located within the BIAs and other commercial areas and providing support as needed. While the Economic Development department has historically been focused on medium to large-sized office and industrial businesses, there is increasingly a need to support smaller, main street businesses.
- Economic Development Coordinator – responsible for tasks such as social media, website updates, e-news, and acting as an initial point of contact for the department, triaging inquiries. When the Economic Development department was created in 2008, social media and the Invest Oakville website were not contemplated as initiatives to be undertaken by the department but are now very important components in marketing Oakville as a prime location for investment. This new FTE will be able to provide support to the Economic Development and Research Officer in implementing these strategic marketing initiatives that while important, are also time consuming.

It is estimated that salary and benefits for the full position (0.3 FTE + 0.7 FTE) will be approximately \$120,000, with 30 per cent, or \$36,000, associated with the patio program and included in Table 1.

SCPP AMANDA Portal

This is a one-time capital cost to retain consultant support for the creation of an online permitting system and database for patio permits within the existing AMANDA system. The pilot programs evolved the application submission process, which is currently based on email exchange and not automated. The proposed portal will create an online uploading of application materials, distribution for reviews, and set inspection tasks, issue approved permits, and create and maintain a robust database. This tool will greatly improve the administrative tasks and logistics of the program, as well as align with the corporate direction for customer service and permitting processes. This is estimated to cost \$64,000, as shown in Table 1.

Safety Barriers for On-Street Patios

As noted under 'Best Practices' earlier in this report, 2023 program participants with patios in on-street parking spaces were required to install safety barriers on the exterior of the patio to increase safety for patrons. For this season, the town rented and deployed the barriers at no cost to program participants.

For the SCPP, the town will purchase the required safety barriers and then rent them to program participants, along with a fee to cover the deployment and removal. As noted earlier in the report, staff has engaged CIMA+ to review the installation of on-street patios and associated safety barriers within the Oakville context to consider the various scenarios and barrier options to optimize safety. The final

recommendations will be provided to staff in late summer/early fall. The barriers must meet industry standards and should have a product life span of 10 years. It is estimated to cost \$50,000 for the purchase of the barriers, as shown in Table 1. Partial cost recovery for the purchase will be amortized over 10 years of rental fees.

Staff Resourcing – Deploying Safety Barriers

Beginning in 2023 and continuing into the seasonal commercial patio program, staff resources from the Roads and Works department will coordinate the deployment (delivery and set-up), removals, and storage of the safety barriers required for all patios installed in on-street parking spaces.

The 2023 staff time has been reviewed and remains appropriate for 2024 based on the expected volume of applications. As outlined below in Table 1, this equates to approximately \$30,000 for the deployment and take-down of the on-street barriers.

Parking Space Reserve Fund

Since 2014, Council has waived rental fees for the use of on-street parking spaces for patios. Parking is a self-sustaining operation supporting parking programs and assets. As such, Parking Services relies on the collection of fees to maintain the Parking Reserve, or alternatively, be sustained using another source, such as the tax stabilization reserve. For a single on-street parking space used for a patio installation, the daily rate is \$12. With 156 chargeable days in the patio season (assuming use for the full 6 months), this results in a loss of \$1,872 to the Parking Reserve for each parking space occupied with a patio. Staff estimate 30 on-street parking spaces will be requested in the 2024 program, resulting in an estimated loss of \$56,160 for the Parking Reserve, as shown as an operating cost in Table 1 below.

Parking Services is not requesting fees for staff time to review the parking space usage, but a separate staff fee from Municipal Enforcement Services may be introduced later, dependent on the time commitment required.

Program Costs

The following table outlines the operating and capital costs required for the town to implement the seasonal patio program based on the above-noted program inputs and assumptions:

Table 1 – Program Implementation Costs

	Annual Operating Cost	One-time Capital Cost
Staff time – Applications & Monitoring (direct & indirect)	\$28,000	
Staff time – Commercial Area Coordinator (New 0.3 FTE) *	\$36,000*	
AMANDA Portal		\$64,000

Safety barrier equipment purchase		\$50,000
Staff time – Deployment of safety barriers	\$30,000	
Parking space reserve	\$56,160	
TOTAL	\$150,160	\$114,000

*This chart reflects the cost of the FTE related to the patio program.

User Fee Cost Recovery

Starting in 2024, the town will implement a cost recovery model for the SPCC. The town's User Fee Procedure states that when a service or activity provided by the town confers a direct benefit on individuals, identifiable groups or businesses, a user fee will be set to recover the cost of providing the service. Where it is determined that a service or activity provided by the town confers a direct benefit to individuals, identifiable groups or businesses, but also results in benefits to the general public, it will be partially funded by other revenue sources by way of a subsidy.

Permit application fees will be required for all four types of SPCC permits. Patios with on-street parking stalls will also require additional fees for the parking space(s) used, barrier rental, and barrier deployment.

Permit Applications

Table 2 below shows the Full 2024 Rate by patio permit type, as well as the proposed amounts to include in the 2024 Rates & Fees Schedule. The Full Rate includes direct costs such as the staff time associated with processing applications, issuing permits and monitoring. In addition, indirect costs such as corporate support have been included.

Given the positive impact that the patio program has on the broader community and utilizing the Decision Matrix Chart associated with the User Fee Procedure, staff recommend the user fee cost recovery be set at 30 per cent. The proposed 2024 Permit Fee is the amount that participants will pay for a permit application, after the 70 per cent subsidy has been applied. This rate also reflects what staff think is a reasonable rate for the market as compared to other municipalities. Should Council feel more comfortable with a higher fee recovery, staff have also included a 50 per cent cost recovery calculation as well.

Table 2: Permit Application Costs

	Full 2024 Rate	50% Cost Recovery	Proposed 2024 Permit Fee (30%)
Merchandise Display	\$180	\$90	\$54
Bistro Patio	\$670	\$335	\$201

Patio with enclosure on the boulevard	\$1,380	\$690	\$414
Patio within on-street parking stall(s)	\$1,380	\$690	\$414

Fees for Patios in On-Street Parking Spaces

In addition to the permit application fee, program participants installing patios in on-street parking spaces will be required to rent the parking space(s) and rent and deploy the safety barriers. All estimates below are based on the use of 30 parking spaces in 2024.

Safety Barriers

As noted, staff are working with the engineering consultant to determine the barrier type to purchase, and the number of barriers required to protect a patio (given different configurations and contexts). The costs will be finalized once a decision has been made on the type and number of barriers to be purchased, and the number required for each type of on-street patio configuration. Based on current information, it is estimated the barrier purchase will cost approximately \$50,000. For rental and deployment of the safety barriers, staff are proposing a 50 per cent cost recovery, with actual rates to be calculated once the information is finalized.

Parking Space Rental

Staff propose that the parking space rental also be based on a 30 per cent recovery model, which would bring fees more in-line with other municipalities and could make the program more financially viable for participants.

For a single on-street parking space used for a patio installation, the daily rate is \$12. With 156 chargeable days in the patio season (assuming use for the full 6 months), the cost to rent one parking space is \$1,872. The 30 per cent recovery model results in a per parking space rental fee of \$562.

Table 3: Proposed Total Fees for 2024 for On-street Patios in Parking Stalls

Patio in Parking Stall	Fees
Permit Fee	\$414
Each Parking Space	\$562
Barrier Rental	TBD*
Barrier Deployment	TBD*

*Costs to be finalized once barrier system has been selected

CONSIDERATIONS:

(A) PUBLIC

Feedback received from businesses, residents, patio patrons and visitors demonstrate that patios and bistros located throughout Oakville contribute to the livability of our community, activate the streets, add vibrancy to our commercial districts and provide sought after outdoor dining opportunities.

(B) FINANCIAL

Funding options will be reviewed during the budget process for this request. Any costs not recovered through user fees will be funded by the tax levy.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The preparation of this report was completed by Economic Development, Transportation and Engineering, Roads and Works Operations, Municipal Enforcement and Planning.

The development of the seasonal commercial patio program has been a multi-disciplinary and multi-departmental endeavour. The program captures the successes of the past nine years of piloting patio installations, first as a commercial district support initiative and most recently as a commercial recovery program due to the pandemic.

To implement the patio program, staff representing most town departments will directly and indirectly play a role. These roles have been clearly defined and will be centrally coordinated to continue the seamless promotion, request processing, approvals, and monitoring that has made this once ad hoc process into a successful program.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) of:

- Community Belonging: by implementing Official Plan policies focused on improving the public realm and fostering a patio culture that provides opportunities for outdoor dining and community gathering.
- Environmental Sustainability: by using existing infrastructure and by improving the local social and economic environments.
- Accountable Government: by responding to the ongoing demand and success for developing an enduring program that can continue to provide opportunities for economic renewal and spaces for the enjoyment of residents and visitors.

(E) CLIMATE CHANGE/ACTION

The implementation of the proposed Seasonal Commercial Patio Program does not contribute to nor will be impacted by climate change; therefore, no mitigating action is required. The installation of temporary patios provides opportunities for residents to enjoy outdoor dining and related activities during with the warmer months. The installations utilize existing hardscapes, such as municipal sidewalks, walkways, and parking stalls.

APPENDICES:

Appendix A - Chronology of the commercial patio initiatives in Oakville

Appendix B - Examples of patios and bistros

Appendix C - Results from Surveys

Appendix D - Seasonal Commercial Patio Program outline

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