



TO: Mayor Chuck Barney
Members of the City Council

FROM: Lance Lang, Interim Planning Director

DATE: March 27, 2018

SUBJECT: PERMIT FEES FOR ENCROACHMENT AGREEMENTS ASSOCIATED WITH OUTDOOR DINING AREAS

I. RECOMMENDED ACTION

1. Recommend approval of a permit fee of thirty-five dollars (\$35.00) for an Encroachment Agreement required as part of the application for an outdoor seating area in the Central Business District; and
2. Recommend adoption of the Permit Fee Resolution to require said fee for all such applications; and
3. Authorize the Mayor to sign the agreements.

II. DEPARTMENT CONTACT PERSONS

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|---------------------------------------|----------|
| Lance Lang, Interim Planning Director | 857-4108 |
| Sue Nilson, Planning Assistant | 857-4022 |

III. DESCRIPTION

A. Background

On February 6, 2017, the City Council approved Ordinance No. 5151, amending Chapter 28, Streets, Sidewalks and Grounds, by adding a section 28-3.1, Outdoor Dining Areas; Permits; Applications; Encroachment Agreements. This ordinance established the application requirements for authorization of outdoor dining areas that encroach more than forty-two inches (42”) into the public sidewalk along downtown streets.

In this section, paragraph (c), “Application”; Line 7 states that payment of the permit fee and/or encroachment fee set by resolution of the City Council is one of the application requirements.

No permit/encroachment fee has been established until now.

IV. IMPACT:

A. Strategic Impact:

With warmer weather coming soon there will likely be interest from downtown restaurant owners in pursuing an outdoor dining arrangement. The fee needs to be established in advance of anticipated demand.

B. Service/Delivery Impact:

The encroachment permit process allows the Planning Department to review and track permits for downtown outdoor dining areas, providing for preparation of encroachment agreements for the Council to consider in a fair and equitable manner.

C. Fiscal Impact:

The proposed nominal fee of \$35.00 is based on the departmental goal of establishing a self-supporting fee structure where the cost of permits such as this pay for the administrative burden they create. In this case, the administrative burden is low and the permit fee is set accordingly at one-half hour of the average state billable fee rate of \$70.00 per hour.

V. ALTERNATIVES

Alt 1. The Council could approve a different permit fee, higher or lower than \$35.00. The fee cannot be waived unless the original ordinance is amended since the original ordinance establishes the requirement for a permit fee to be set by City Council.

VI. TIME CONSTRAINTS

Council approval of the permit fee is timely with the approach of the outdoor dining season.

VII. LIST OF ATTACHMENTS

A. Proposed Resolution