

STAFF REPORT TO COUNCIL

Report Prepared By: Staff
Meeting Date: June 16, 2020
File No: COVID-19
RE: **ECONOMIC RECOVERY UPDATE**

RECOMMENDATION:

That Council:

1. Give first, second and third reading to Streets and Traffic Bylaw 1998, No. 1309, Amendment Bylaw #7, 2020, No. 2041 to eliminate fees for sidewalk patios and to create an exemption to the requirement for a permit for small sidewalk patios and retail displays;
2. Adopt Streets and Traffic Bylaw 1998, No. 1309, Amendment Bylaw #7, 2020, No. 2041;
3. Provide preapproval for Temporary Expanded Service Area Authorizations pursuant to Liquor and Cannabis Regulatory Board Policy Directive 20-13; and
4. Direct staff to submit an application for funding through the Island Coastal Economic Trust Small Capital Restart Program for up to \$15,000 for improvements in the downtown core to support local economic recovery efforts.

EXECUTIVE SUMMARY:

This report:

1. Provides an update for Council on economic recovery efforts under way.
2. Presents Bylaw 2041 for Council consideration. This bylaw will amend the Streets and Traffic Bylaw to eliminate fees for sidewalk patios and retail displays and allow small sidewalk patios and retail displays without a permit.
3. Presents a referral from the Liquor and Cannabis Regulatory Branch (LCRB) seeking “preapproval” related to LCRB policy Directive 20-13. This new policy directive allows liquor serving establishments to increase their seating area (but not seating capacity). These expanded seating areas must be approved by the local government, however a local government can opt to preapprove them.
4. Provides the results of an Economic Recovery Survey created by the Town, Ladysmith Chamber of Commerce and Ladysmith Downtown Business Association and sent to all members of the Chamber and LDBA.
5. Seeks Council direction to apply for funding through the Island Coastal Economic Trust (ICET) in support of downtown improvements that will assist economic recovery efforts

PREVIOUS COUNCIL DIRECTION

Resolution	Resolution Date	Resolution Details
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Resolution	Resolution Date	Resolution Details
CS 2020-154	May 21, 2020	That Council direct staff to: <ol style="list-style-type: none"> 1. Liaise with the Ladysmith Chamber of Commerce and the Ladysmith Downtown Business Association to review options for the Town to support economic recovery following the COVID-19 pandemic, including the following: <ol style="list-style-type: none"> a. Parklets and sidewalk patios; b. Street closure opportunities from Thursdays through Sundays, including the potential for street entertainment and music; c. One-way traffic northbound on First Avenue; d. A “local shopping loyalty passport” with incentives to participate; and 2. Report back to Council with the results of those discussions.
CS 2020-165	June 2, 2020	FINAL RESOLUTION AS AMENDED BY CS 2020-166 That Council direct staff to initiate the following change to bylaws that regulate sidewalk patios, retail displays and parklets: <ol style="list-style-type: none"> 1. Eliminate the application fee or “rent” for sidewalk patios, retail displays and parklets; and 2. Allow 1-2 dining sets, racks or displays without a permit, provided they are placed in accordance with Town bylaw regulations and Provincial Health regulations.
CS 2020-167		That Council direct staff to implement a downtown patio seating area of six tables in the general location of the sidewalk area in front of the Islander Hotel on 1st Avenue, to a maximum of \$35,000, with \$15,000 from external grants and the remaining \$20,000 from unspent Grants-in-Aid funds.
CS 2020-169		That Council direct staff to prepare a report for the next Council meeting with a policy framework for parklet/patio spaces based on a demonstrated desire by local businesses to have such spaces available to them.

INTRODUCTION/BACKGROUND:

Ladysmith has not been immune to the economic impacts of COVID-19. Many businesses have had to temporarily shut down, downsize or bear the cost of implementing safety measures in order to continue operating. On May 21, Council directed staff to begin discussions with the Chamber of Commerce and the Ladysmith Downtown Business Association (LDBA) on local economic recovery efforts, with specific direction to jointly investigate measures contained in the resolution above. A survey of local businesses was developed in partnership with the LDBA and the Chamber who distributed it to their members. Survey results are included in this report.

On June 2, following an update from staff, Council directed bylaw amendments to be brought forward to eliminate fees for sidewalk patios, retail displays and parklets and to allow small sidewalk patios and retail displays without a permit. Council also directed staff to develop an outdoor seating area on 1st Avenue at the end of Gatacre Street on the sidewalk in the general vicinity of the Islander Hotel and to report back to Council on potential policy changes for sidewalk patios and parklets based on feedback (i.e. the survey results) from local businesses.

On June 2, staff were notified by the LCRB about Policy Directive 20-13. This new policy allows liquor serving establishments to expand the size of serving areas to meet social distancing requirements, but not to increase their occupancy. For example, under the new program a pub could double the size of their serving area to create more distance between tables, but could not increase the number of patrons it is allowed to serve. The new policy is in place until October 31, 2020. Applications under the new policy must be endorsed by the local government however, the Town can provide preapproval for all applications.

DISCUSSION

Survey Results

Following a meeting with representatives of the Town, the Chamber and the LDBA on May 22, staff drafted a survey for local businesses to determine their state of recovery, awareness of Town resources to assist them, and appetite for measures such as parklets, changes to parking and other measures designed to attract residents and visitors to Ladysmith businesses and support recovery efforts.

The survey was sent to all members of the Chamber and LDBA and was open between Monday, June 1 and Monday, June 8. A total of 47 responses were received. The survey summary is attached as Appendix A (please note that Q. 19 responses are not included as they identify individual businesses). Highlights include:

- 55.5 per cent of respondents closed during Phase 1 of the COVID-19 pandemic
- 70 per cent of those who closed have already reopened
- 91 per cent of those who had not yet reopened indicated that they plan to do so
- 93 per cent indicated that they are able to configure their business to follow physical distancing and sanitation guidelines
- 64 per cent were not aware that the Town can issue permits for sidewalk patios and retail display
- 48 per cent indicated that use of the sidewalk adjacent to the business would not assist in serving customers, while 26 per cent indicated that it would help them, and 26 per cent indicated that they did not know
- 60 per cent of respondents stated that use of parking spaces would not help their business
- 59 per cent would support closure of some parking spaces in each block of downtown during summer 2020 for a parklet and outdoor seating
- 48 per cent would not support closure of parking spaces in front of their own business
- 64 per cent would not support turning angle parking into parallel parking on 1st Avenue at any time
- 50 per cent do not support making 1st Avenue one-way at any time; 27 per cent indicated they would support this during summer 2020
- 43 per cent of respondents support closing 1st Avenue to vehicle traffic at certain times, closely followed by 41 per cent who do not support this idea

- Should 1st Avenue be closed, 54 per cent would like to see it closed on weekend days and evenings
- 60 per cent of respondents indicated that they would consider extending hours into the evening
- 95 per cent would take part in a Shop Local campaign (to be run by the Chamber and LDBA) with 70 percent in favour of a comprehensive campaign (context, passport, gift card program...)
- The majority of respondents (approximately 88 per cent) of the 34 who answered the question are from the downtown area

It is important to point out that the intent of the survey was mainly to determine the level of support for ways to make more effective use of space in the downtown area to support local businesses in their recovery. The survey was not intended to gauge the economic impact on businesses.

While most businesses would support the closure of 1st Avenue on weekends during this summer, it is also important to recognize that comments made by respondents expressed concern about loss or lack of parking in the downtown area.

PROPOSED INITIATIVES /BYLAW CHANGES

Bylaw Changes for Sidewalk Patios, Retail Displays and Parklets *(Staff recommendation Nos. 1 and 2)*

An amendment to the Streets and Traffic Bylaw has been drafted in accordance with Council's instructions: one to eliminate permit fees; and another to exempt small sidewalk patios and retail displays from the requirement to obtain a permit.

Bylaw 2041 (Appendix B) will amend the Streets and Traffic Bylaw to eliminate the \$25 application fee for sidewalk patios and retail displays and the \$5/m² fee for sidewalk patios (there is no such fee for retail displays). Bylaw 2041 will also exempt some sidewalk patios and retail displays from the requirement to obtain a permit. If approved by Council, a permit will no longer be required for a small sidewalk patio or retail display abutting a business frontage. Under the proposed rules, a sidewalk patio or retail display will only be exempt from the permit requirement if it is on a flat sidewalk, provides for 1.5m of pedestrian thoroughfare, does not extend more than 1.5m from the business frontage and does not require alterations to the surface of the sidewalk, such as decking or landings. The proposed rules would also prohibit a sidewalk patio or retail display from extending in front of an adjacent business, unless the adjacent business has given consent. For convenience, staff have included a redlined version of the proposed amendments to the Streets and Traffic Bylaw, shown in Appendix C.

Preapproval of Provincial Policy Directive on Liquor Regulations *(Staff recommendation No. 3)*

Staff are recommending that Council endorse the "preapproval" option described in greater detail in Appendix D. If endorsed by Council, the LRCB will not refer applications under Policy Directive 20-13 to the Town for comment. This is expected to accelerate approval times for

these types of applications. The preapproval will only apply to liquor licensing applications under the temporary directive. Other liquor licensing applications that require comment from the Town will continue to be referred.

ALTERNATIVES:

Council can choose to:

1. Direct staff to look at alternate locations for the 6 tables (currently proposed to be in front of the Islander Hotel). By reducing the number of tables in this location from 6 to 4, the stanchions are not required which would reduce costs. Tables could be placed at other locations in Town, such as in front of:
 - a. RBC (2 tables)
 - b. CIBC (1 table)
 - c. Aggie (3 tables)
 - d. 49th Parallel Grocery (2 tables)
 - e. Dunsmuir Square (1 table)
 - f. Eagles Hall (1 table)
 - g. Veterinarian Clinic (1 table)

If Council chooses to change from the 6 tables, it would be necessary to rescind the previous Council motion CS 2020-167 and provide additional direction.

2. Direct staff to determine other options.

FINANCIAL IMPLICATIONS *(Staff Recommendation No. 4)*

This project is currently funded from the foregone funds in the Grant in Aid budget, grants and donations. Staff are seeking Council approval to submit an application for funding through the Island Coastal Economic Trust Small Capital Restart Program for up to \$15,000 for improvements in the downtown core to support local economic recovery efforts.

Fees for sidewalk patio and retail displays account for a very small portion of the Town’s revenues. Eliminating these fees does not represent a significant reduction in revenues.

Preliminary costs for the 6 tables in front of the Islander Hotel were estimated at:

6 tables	\$ 9,000
Stanchions & chain	12,600
3 Poles (for lighting)	5,000
Installation	8,000

The revised estimated cost of each table is roughly \$1,624, though the delivery of the items is at least 4 weeks away.

LEGAL IMPLICATIONS:

Section 12 of [Ministerial Order 139/2020](#), allows municipal councils to give three readings and adopt a bylaw in a single meeting; hence the recommendation to adopt Bylaw 2041.

Regarding insurance and risk management concerns related to tables and retail displays on Town property, the Town holds an annual insurance policy through the Municipal Insurance Association of BC that includes associate members. The LDBA is covered under this policy through a Service Provider Agreement with the Town, which means that their member businesses are also covered. If a business is not a member of the LDBA, the insurance provider suggests that the business add the Town as an additional insured to their Commercial General Liability policy.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

The results of the survey revealed that the majority of respondents appreciate that the Town, Chamber and LDBA are taking steps to support economic recovery by local businesses. It will be important to communicate effectively with members of the public (residents and businesses) that Ladysmith is open, and steps are being taken to welcome customers to our commercial area while ensuring their safety during the ongoing pandemic.

Public consultation is not required for the proposed bylaw amendment.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

All Town departments are actively involved in economic recovery efforts.

ALIGNMENT WITH SUSTAINABILITY VISIONING REPORT:

- | | |
|--|--|
| <input type="checkbox"/> Complete Community Land Use | <input type="checkbox"/> Low Impact Transportation |
| <input type="checkbox"/> Green Buildings | <input type="checkbox"/> Multi-Use Landscapes |
| <input type="checkbox"/> Innovative Infrastructure | <input type="checkbox"/> Local Food Systems |
| <input type="checkbox"/> Healthy Community | <input checked="" type="checkbox"/> Local, Diverse Economy |
| <input type="checkbox"/> Not Applicable | |

ALIGNMENT WITH STRATEGIC PRIORITIES:

- | | |
|---|---|
| <input type="checkbox"/> Infrastructure | <input checked="" type="checkbox"/> Economy |
| <input type="checkbox"/> Community | <input type="checkbox"/> Not Applicable |
| <input type="checkbox"/> Waterfront | |

I approve the report and recommendation(s).

Erin Anderson, Acting Chief Administrative Officer

ATTACHMENT(S):

Appendix A: Survey Results

Appendix B: Bylaw 2041

Appendix C: Redlined Excerpts from Streets and Traffic Bylaw

Appendix D: LCRB Referral