

Report to Planning and Environment Committee

To: Chair and Members
Planning & Environment Committee

From: Gregg Barrett
Director, City Planning and City Planner

Subject: City of London
Boulevard Café Grant Program

Meeting on: June 22, 2020

Recommendation

That, on the recommendation of the Director, Planning and City Planner, with respect to implementing program guidelines for a Boulevard Café Grant Program, that the following actions be taken:

- a) The proposed by-law amendment attached as Appendix “A” **BE INTRODUCED** at the Municipal Council meeting on June 29, 2020 to amend By-law C.P.-1467-175, as amended, being a by-law to establish financial incentives for the Downtown Community Improvement Project Areas, to adopt the Boulevard Café Grant Program as Schedule 3; and,
- b) Civic Administration **BE DIRECTED** to supplement the Core Area Action Plan funding approved through the 2020-2023 Multi-Year Budget with the Small Scale Downtown Projects fund, approved through the 2015-2019 Multi-Year Budget to support the Boulevard Café Grant program and other small-scale projects that assist with the economic recovery of the downtown from the COVID-19 pandemic.

IT BEING NOTED that, this initial grant program is being adopted under the existing Downtown Community Improvement Plan until such a time as a Core Area Community Improvement Plan is developed and approved, which would extend this program to the entire Core Area as identified in the Core Area Action Plan.

Executive Summary

Summary of Request

To eliminate the application, licence and Temporary Sound Permit fees associated with opening and operating boulevard cafés in the downtown.

Purpose and the Effect of Recommended Action

The purpose and effect of the recommended action is to introduce a Boulevard Café Grant Program that eliminates application, licence and Temporary Sound Permit fees, to reduce the financial barriers associated with opening and operating boulevard cafés. Appendix “A” contains the detailed guidelines on how the program will operate.

Additionally, the recommended action seeks direction to expand the scope of projects contemplated in the Downtown Small Scale Projects fund beyond those specifically mentioned in the 2015-2019 business case to direct the funding towards other small-scale projects and programs that will assist in the economic recovery of the downtown.

Rationale of Recommended Actions

The Boulevard Café Grant Program is consistent with Municipal Council’s adopted *2019-2023 Strategic Plan*. Under the Strategic Area of Focus “Growing our Economy”, the program will assist with an increase in public and private investment in strategic locations and support revitalization in London’s downtown.

The Boulevard Café Grant Program is supported by *Our Move Forward: London's Downtown Plan* by Strategic Direction 6 "Create the Buzz". The goal of this direction is to "build a unique brand" and to "create an engaging downtown" that attracts visitors and supports the downtown's economic success. This program will help to support the establishment of boulevard cafés, which create a dynamic and engaging environment that will attract people to the core and support the local economy.

The *Downtown Community Improvement Plan (CIP)* provides the context for revitalization in the downtown and supports initiatives that encourage downtown renewal, including streamlining and reducing the requirements for boulevard cafés.

The *Core Area Action Plan* provides direction for the elimination of application and licence fees for boulevard cafés in the Core Area through initiatives 63 and 64. The Boulevard Café Grant Program implements this direction.

Funding was approved through the 2020-2023 Multi-Year Budget to support this initiative.

Funding approved through the 2015-2019 Multi-Year Budget to support small-scale downtown projects would require multi-year contribution to implement the projects listed in that business case. However, this funding can be used to immediately assist with COVID-19 recovery measures in the downtown by supporting the reopening of local businesses.

Discussion

1.0 Background

In May 2012, Municipal Council approved a pilot program that permitted boulevard cafés to be located within on-street parking spaces in identified locations within the downtown.

In May 2013, principles for the use of on-street parking spaces for boulevard cafés were approved for a period of three years and the Boulevard Café Permit Program was amended to provide the use of on-street parking spaces for boulevard cafés. Municipal Council also directed Civic Administration to develop technical standards and design guidelines for boulevard cafés at this time.

In 2018, the *Sidewalk Patio Standards and Application Process* was established as an administrative tool to be used in the review of proposed boulevard cafés.

The *Core Area Action Plan* was received by Council in late 2019. The Plan outlined almost 70 initiatives, including those that financially assist businesses in the Core Area through the elimination of certain fees. Several of the initiatives provide specific direction to eliminate financial barriers for the opening and operation of boulevard cafés within the Core Area. The Plan identified the requirement of a Core Area Community Improvement Plan (CIP) to implement a number of the initiatives, including the elimination of these identified fees. The Core Area CIP is currently underway; however, its preparation and consultation process has been delayed due to COVID-19 restrictions.

In the near term, a program that eliminates financial barriers for the opening and operation of boulevard cafés can be implemented within the scope of the *Downtown Community Improvement Plan*. Creating such a program now will implement the intent in the short-term, ahead of a more comprehensive Core Area CIP. Civic Administration is recommending this as an interim measure to help support downtown business owners increase their seating capacity through the use of boulevard cafés, when such businesses are permitted to reopen.

Through the 2020-2023 Multi-Year Budget, financing was identified for the initiatives supported by Council that required additional resources. In 2020, \$30,000 in funding was approved through the budget process to cover the cost of lost revenue due to

eliminating the fees identified in the *Core Area Action Plan*. The funding amount of \$30,000 continues annually through 2023.

Due to business closures mandated by the Province of Ontario in response to the COVID-19 pandemic, it is acknowledged that the 2020 patio season has been delayed. In response to this, fees associated with boulevard cafés will be prorated for 2020 based on the duration boulevard cafés are permitted to operate.

2.0 Small Scale Downtown Projects Fund

A business case was submitted as part of the 2015-2019 Multi-Year Budget to support the implementation of small-scale projects from *Our Move Forward: London's Downtown Plan*. Eighteen projects were identified in the business case, which included initiatives such as a decorative uplighting program, wayfinding signage, and cycling end-of-trip facilities. The business case is attached as Appendix "B" for reference.

Municipal Council approved \$100,000 in funding for the initiatives to begin in 2019. This level of funding would require multiple years of contribution to be sufficient to implement many of the projects identified in the business case. Currently, \$50,000 of the fund is earmarked for a Downtown Uplighting Grant 2-Year Pilot Program, approved in 2019.

Given the funding constraints associated with the scope and scale of the projects listed in the business case, as well as the immediate need to support reopening businesses in the downtown, Civic Administration is recommending this funding be used for other projects, programs and interventions in the downtown other than those identified in the Business Case, so long as those initiatives meet the vision and intent of *Our Move Forward: London's Downtown Plan* for which the funds were approved. In addition to increasing the contribution to the Boulevard Café Grant Program, this funding can assist with the supply and operation of temporary sidewalk extensions, pedestrian line-up stanchions or markings, patio barriers, curb-side pick-up signage or markings, and other projects that are deemed necessary to assist in creating a vibrant and business-friendly environment in the downtown as businesses are permitted to reopen, as directed by the Provincial government.

3.0 Boulevard Café Grant Program Structure and Funding

To help support the downtown businesses as they reopen, as well as to help contribute to the vibrancy of the downtown environment, the City is seeking to offer a grant to property owners or authorized agents (tenants, contractors, etc.) to reduce the financial burden of opening and operating a boulevard café. This grant program eliminates the application and licence fees related to the operation of a patio on the public right-of-way and eliminates the application and permit fees for a Temporary Sound Permit if amplified music on an outdoor patio within the public right-of-way is requested. It should be noted that Boulevard Café licence agreements are on a three-year term.

3.1 Source of Funding

Through the 2020-2023 Multi-Year Budget, \$30,000 in funding was approved to cover the cost of lost revenue for eliminating fees identified in the *Core Area Action Plan*; this will be the source of funding for this grant program. Should there not be adequate funding to meet demand for this grant program, the program funding may be topped up through the Downtown Small Scale Project budget or another source of financing as determined by the City Planner or City Treasurer (or designates). Staff anticipate that approximately \$10,000 to \$20,000 in additional funding per year may be required for the program, depending on the expansion of existing boulevard cafés, and the addition of new boulevard cafés in the downtown.

Once the Core Area Community Improvement Plan (CIP) has been established, the Boulevard Café Grant Program is intended to transition from the Downtown CIP to the Core Area CIP. At that time, the funding will also transition and the grant program will be made available to businesses within the Core Area.

3.2 Eligibility

An approved boulevard café is eligible for a grant to cover the administrative fee for a new or renewed application, the annual licence fee related to a Boulevard Café Permit licence agreement, and the application and permit fees for a Temporary Sound Permit for Amplified Sound on an Outdoor Patio if applicable. While funding exists, applicants can apply as needed to this program.

Any fees related to obtaining a City of London Business Licence; an AGCO Liquor Licence application; any materials required for the application, licence, or Temporary Sound Permit; the cost of construction and materials; and, the Temporary Sound Permits for outdoor patios on private property that are not considered boulevard cafés are not eligible to be granted through this program.

The Program Guidelines (Appendix “A”) outline the eligibility criteria for the grant and the grant approval process including the required grant agreement.

3.3 Monitoring

The Program Guidelines propose that criteria to monitor both the take-up and success of the Boulevard Café Grant Program be included. Monitoring and success of the grant program will determine if it should be extended beyond 2023, and whether changes should be made to the program operations and budget.

4.0 Additional Considerations

4.1 Provincial State of Emergency

The Province of Ontario declared a state of emergency on March 17, 2020 in response to the COVID-19 pandemic. This allowed the Province to enforce emergency orders, such as ordering non-essential workplaces to close. As a result, many restaurants have been required to close. The Province has recently announced that businesses with outdoor patios will be permitted to open on Friday June 12th, so long as social distancing restrictions are followed. These restrictions will reduce the seating capacity, however the Province has also relaxed requirement for the expansion of patios. This grant program will remove financial barriers to open and operate boulevard cafés and allow restaurants to expand their seating capacity into the right-of-way where permitted.

4.2 Boulevard Café Permits in 2019

In 2019, 36 Boulevard Cafe Permits were obtained city wide, with the fees totalling \$27,920 plus HST. Of these, 26 were located within the Downtown Community Improvement Project Areas. Due to planned infrastructure improvements along Dundas Street in Old East Village over the next two construction seasons, the ability to operate boulevard cafés here will be limited. Therefore, it is anticipated that the Boulevard Café Grant Program will apply to the majority of the boulevard café applications in 2020 and 2021.

4.0 Conclusion

With the creation of the Boulevard Café Grant Program, the City is providing assistance to downtown businesses by removing financial barriers associated with the opening and operation of boulevard cafés. The *Core Area Action Plan* includes initiatives that direct the City to eliminate application and licence fees associated with boulevard cafés.

\$30,000 of funding has been earmarked through the 2020-2023 Multi-Year Budget to cover the cost of lost revenue due to the elimination of fees identified in the *Core Area Action Plan*. Funding may be topped up through the Downtown Small Scale Project budget if required.

The Boulevard Café Grant Program Guidelines are attached as Appendix “A”. The Guidelines outline in detail how the Boulevard Café Grant Program will work.

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| Recommended by: | Gregg Barrett, AICP Director, City Planning and City Planner |
| Note: The opinions contained herein are offered by a person or persons qualified to provide expert opinion. Further detail with respect to qualifications can be obtained from City Planning | |

June 12, 2020
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Appendix A

Appendix “A”

Bill No. (number to be inserted by Clerk’s Office)
(2019)

By-law No. C.P.-1467-_____

A by-law to amend C.P.-1467-175, as amended, being “A By-law to establish financial incentives for the Downtown Community Improvement Project Areas”.

WHEREAS by Subsection 28(2) of the Planning Act, the Council of a municipal corporation may, by by-law, designate such an area as a community improvement project area;

AND WHEREAS by Subsection 28(4) of the Planning Act, the Council of a municipal corporation may adopt a community improvement plan for the community improvement project area;

AND WHEREAS Municipal Council adopted By-law C.P. 1356-234 to designate the Downtown Community Improvement Project Areas;

AND WHEREAS Municipal Council adopted By-law C.P. 1357-249 to adopt the Downtown Community Improvement Plan;

AND WHEREAS Municipal Council adopted By-law C.P. 1467-175 to establish financial incentives for the Downtown Community Improvement Project Areas;

AND WHEREAS the Official Plan for the City of London contains provisions relating to community improvement within the City of London;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Boulevard Café Grant Program Guidelines attached hereto as Schedule 3 is hereby adopted.
2. This by-law shall come into force on the date it is passed.

PASSED in Open Council on June 29, 2020.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading – June 29, 2020
Second Reading – June 29, 2020
Third Reading – June 29, 2020

Schedule 3

Downtown Community Improvement Plan – Boulevard Café Grant Program

Effective June 30, 2020

This program guideline package provides details on the new Boulevard Café Grant Program provided by the City of London (“City”) through the Downtown Community Improvement Plan (CIP).

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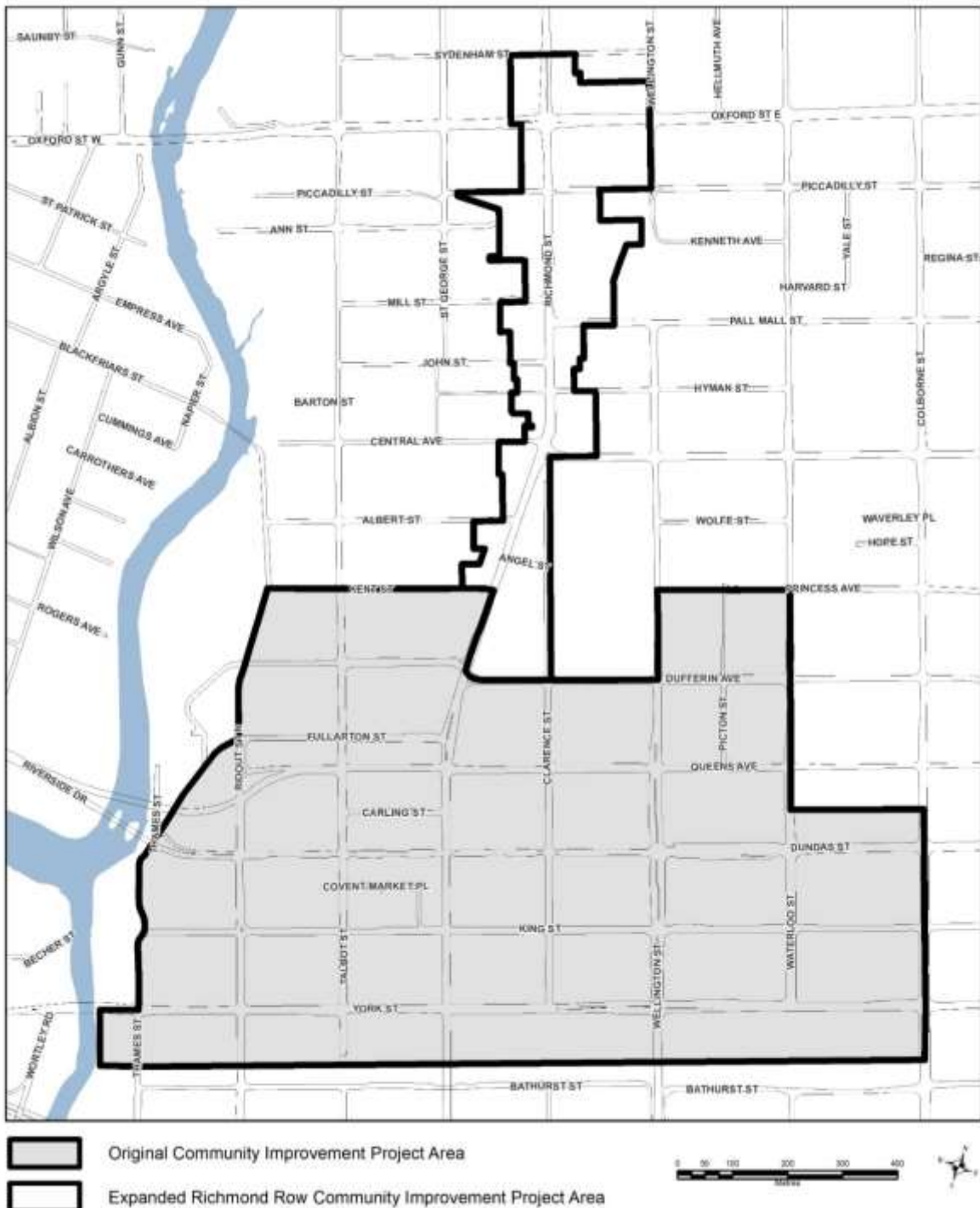
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How to Read this Document

This document helps to identify what the responsibility of each stakeholder is in the Boulevard Café Grant Program. The initials **PO** indicate the property owner, tenant, business owner (or agent acting on behalf of the property owner, tenant, or business owner) is responsible for completing that task or action. Schedule 1 and 2 (not attached) contains additional details on other Downtown CIP financial incentives.

PO – The Boulevard Café Grant Program is available to business owners who are eligible to install boulevard cafés and patios in the Downtown Community Improvement Project Areas including Richmond Row (Map 1).

Map 1 – Downtown Community Improvement Project Areas



1. Definitions

Applicant – The person who applies for a new or already has an existing valid Boulevard Café Permit Application or a Temporary Sound Permit for Amplified Sound on an Outdoor Patio Application, and as a result, will simultaneously apply for the Boulevard Café Grant Program.

Boulevard café – used interchangeable with sidewalk patio or boulevard patio, means an area set aside out of doors, covered or uncovered, for the use of patrons as a licensed restaurant in connection with, and in addition to, the operation of an adjacent restaurant and is located on the City right-of-way.

Complete Application – Includes a completed application form for the Boulevard Café Permit Application and a Temporary Sound Permit for Amplified Sound on an Outdoor Patio Application (if needed), and includes the following information:

- Name and address of the business owner;
- Confirmation that the address is within the Downtown Community Improvement Project Areas;
- A statement of fees from Realty Services indicating the total fees that apply to a new or existing boulevard café or patio;
- A statement of fees from Licencing and Municipal Law Enforcement indicating the total fees that apply to a temporary sound permit for the subject boulevard café;
- Acknowledgement of the receipt of patio fees grant funding and authorization to the City of London to transfer the amount of the grant to the applicable City accounts
- Any or other information that may be deemed necessary by the City Planner or City Treasurer (or designates).

PO – The property owner, tenant, business owner (or agent acting on behalf of the property owner, tenant, or business owner).

Sidewalk patio – See Boulevard café.

2. Purpose

In support of the Core Area Action Plan, the Boulevard Café Grant Program is intended to reduce the financial burden on business owners who operate sidewalk patios. This grant program eliminates the administrative and licence fees related to the operation of a patio on the public right-of-way and eliminates the application and permit fees for a temporary sound permit if amplified music on an outdoor patio is requested.

Sidewalk patios can activate the street and create a more vibrant urban environment. By providing opportunities for outdoor dining, the City, and businesses within it, can encourage the use and enjoyment of the downtown public realm.

3. Funding

- Total funding available through the Core Area Action Plan budget for patio and signage fees is \$30,000 per year for the 2020-2023 Multi-Year Budget;
- Funding under this program will cease on December 31, 2021, unless extended by the City of London or the Boulevard Café Grant Program is superseded by a similar program under the Core Area Community Improvement Plan;
- Should there not be adequate funding to meet demand for the grant program, the program funding may be topped up through the Downtown Small Scale Project budget or another source of financing as determined by the Director, Planning and City Planner (or designates). In the event that these additional sources of funding do not meet the demand of the grant program, grants will only be issued while funding is available in the order that they are received.

4. Eligible Fees

Eligible fees that will be granted through the Boulevard Café Grant Program include:

- The administrative fee for new or renewed applications and the annual licence fee related to a Boulevard Café Permit licence agreement.
- The application and permit fees for a Temporary Sound Permit for Amplified Sound on an Outdoor Patio when associated with a boulevard café.

The following fees and work are not eligible to be granted through this program:

- Any fees related to obtaining a City of London Business Licence;
- AGCO Liquor Licence applications and fees;
- Any materials required for the application, licence, or Temporary Sound Permit. For example, costs related to completing a patio drawing showing location, size, and materials;
- Cost of construction and materials;
- Temporary Sound Permits for outdoor patios on private property and not considered boulevard cafés.

5. Eligibility Criteria

To be eligible for the Boulevard Café Grant Program, the business owner must apply for a Boulevard Café Permit Application or have a valid Boulevard Café Permit with licence agreement and be located within the Downtown Community Improvement Project Areas (including Richmond Row) as outlined in Map 1.

If needed, the business owner can also apply for a Temporary Sound Permit for Amplified Sound on an Outdoor Patio and have those fees granted.

6. General Grant Terms

While funding exists, applicants can apply as needed to this program.

The City is not responsible for any costs incurred by an applicant in relation to the grant program, including without limitation, costs incurred in application of a grant.

If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City of London, the approved grant may be delayed, reduced or canceled, and the applicant may be required to repay part or all of the approved grant.

All proposed works approved under the incentive programs shall conform to provincial laws and City guidelines, by-laws, policies, procedures and standards.

All works completed must comply with the description of the works as provided in the Boulevard Café Permit Application form with any amendments as approved by the City of London through the Sidewalk Patios Standards and Application Process.

If applied for and approved, all works completed must comply with the temporary noise permit and its required documentation.

The granting of fees does not imply that processes for permits are invalid or unnecessary.

The Boulevard Café Grant Program replaces the amount of patio fees an applicant would be required to pay in the absence of the grant program. Under no circumstances shall an applicant have their patio fees payable waived by this program and also receive grant funding related to patio fees disbursed by the City of London to the applicant.

7. Grant Amount

For a new Boulevard Café Permit Application, the grant amount will be calculated by Realty Services when processing the application and/or processing the annual fee of an executed licence agreement.

For a new Temporary Sound Permit for Amplified Sound on an Outdoor Patio Application, the grant amount will be calculated by Licencing and Municipal Law Enforcement when processing the application.

The grant amount will equal the administrative and licence fees for all eligible Boulevard Café Permits, as well as the application and permit fees for all eligible Temporary Sound Permit for Amplified Sound on an Outdoor Patio applications in the Downtown Community Improvement Project Areas.

8. Grant Distribution

The applicant will receive no funding from the City of London.

The applicant will not be charged any fees for a new Boulevard Café Permit Application or the annual fee of an executed licence agreement.

The applicant will not be charged any fees for a Temporary Sound Permit for Amplified Sound on an Outdoor Patio.

For patio fees related to the Boulevard Café Permit, the value of the calculated grant will be transferred directly to the Realty Operations account. This direct transfer is instead of staff collecting the administrative fees and licence fees related to a Boulevard Café Permit and then providing the applicant with a 100% grant to rebate the monies collected.

For the patio fees related to a Temporary Sound Permit for Amplified Sound on an Outdoor Patio, the value of the calculated grant will be transferred directly to a general Licencing account. This direct transfer is instead of staff collecting the application and permit fees related to a Temporary Sound Permit for Amplified Sound on an Outdoor Patio and then providing the applicant with a 100% grant to rebate the monies collected.

Grant recipients will be required to provide written authorization for the City to deposit the amount of the grant into the appropriate City account.

9. Grant Security

The grant is payable upon the completion of a new Boulevard Café Permit Application or the annual invoice of an executed licence agreement as outlined in Sections 7 and 8.

If applied for and approved, the grant is also payable upon completion of a Temporary Sound Permit for Amplified Sound on an Outdoor Patio as outlined in Sections 7 and 8.

10. Grant Agreement

Participating business owners are required to enter into a Grant Agreement with the City.

11. Grant Repayment Provisions

Not applicable.

12. Transferable Grant

Not applicable.

13. Application Process

- 1) For a new boulevard café or sidewalk patio, the applicant is required to complete a Boulevard Café Permit Application form. The application must be submitted to Realty Services for review. This review will follow the already developed Sidewalk Patio Standards and Application Process. Realty Services staff will determine the applicable administrative and licence fees to be granted.
- 2) If the applicant also requires a Temporary Sound Permit for Amplified Sound on an Outdoor Patio on the City boulevard, the applicant is required to complete the Amplified Sound Permit application form. The application must be submitted to Licencing and Municipal Law Enforcement for review. This review will follow the already developed review process for temporary sound permits. Licencing and Municipal Law Enforcement staff will determine the applicable fees to be granted.

To be eligible for the Boulevard Café Grant Program, the applicant will be required to submit a complete application as defined in Section 1. Complete application information will be collected at the time of applying for 13 1) and/or 13 2) above.

An Agreement is executed between the City and the business owner outlining the terms and conditions of the approved grant. This Agreement is executed at the time of applying for 13 1) and/or 13 2).

For an existing patio licence agreement, the applicant's licence fee will not be invoiced to the applicant. Instead, an internal transfer of funding will occur as per Section 8.

Realty Services will compile a list of and acknowledge that all existing patio licence agreements were not invoiced.

14. Grant Approval

As a condition of approval, new applicants shall be required to enter into a Grant Agreement with the City.

15. Additional Rehabilitation and Demolition

Additional work to the interior of the building can be undertaken without City Planning approval subject to obtaining a building and/or heritage alteration permit, when required. The grant does not impose any specific restrictions on demolition.

16. Inspection of Completed Works

Not applicable.

17. Incentive Application Refusal and Appeal

If the Boulevard Café Permit Application is refused, the administrative fee will not be collected retroactively by the City of London.

If the Temporary Sound Permit for Amplified Sound on an Outdoor Patio Application is refused, the application fee will not be collected retroactively by the City of London.

Administration/application fees will not be collected. No internal transfer of funds will occur.

18. Relationship to other Financial Incentive Programs

Property owners may also qualify for financial assistance under the City of London's other financial incentives programs. Applicants are advised to check with City Planning.

PO – Applicants are advised to check with Downtown London about its proprietary programs which complement the City's financial incentive programs.

19. Monitoring & Discontinuation

As part of the program administration, City Planning, Realty Services, and Licencing and Municipal Law Enforcement will monitor the Boulevard Café Grant Program. In receiving and processing applications staff will enter relevant information into a Monitoring Database. This information will be included in any Incentive Monitoring Reports which will be prepared to determine if programs should continue, be modified, or cease. This program is monitored to ensure it implements the goals and objectives of the 1989 Official Plan, The London Plan, and the Downtown Community Improvement Plan.

The City may discontinue the Boulevard Café Grant Program at any time.

The program's success in implementing the Downtown Community Improvement Plan's goals will be based on the ongoing monitoring as noted in the Program Monitoring Data section.

20. Program Monitoring Data

The following information will be collected and serve as data to monitor the Boulevard Café Grant Program. These measures are to be flexible allowing for the addition of new measures that better indicate if the goals and objectives of the CIP have been met:

- Number of Boulevard Café Permit Applications (approved and denied);
- Number of Temporary Sound Permit Applications for Amplified Patio Sound for Boulevard Cafés (approved and denied);
- Total grant amount.

21. Activity Monitoring Reports

Annual Activity Reports will measure the following variables and be used to help complete the biennial State of the Downtown Report:

- Number of Boulevard Café Permit Applications processed;
- Number of Temporary Sound Permit Applications for Amplified Patio Sound for Boulevard Cafés approved and denied);
- Total grant amount.

Additional Investments Business Case #20