

Report to/Rapport au :
Transportation Committee
Comité des transports

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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: ACS2013-PAI-PGM-0070

SUBJECT: PRESTON STREET OUTDOOR PATIO FEE REDUCTION PILOT PROJECT - SUMMARY

OBJET : PROJET PILOTE DE RÉDUCTION DES DROITS POUR PERMIS DE TERRASSE EXTÉRIEURE RUE PRESTON

REPORT RECOMMENDATION

That the Transportation Committee receive this report for information.

RECOMMANDATION DU RAPPORT

Que le Comité des transports prenne connaissance du présent rapport.

BACKGROUND

Beginning in May of 2011, a two-year pilot project was initiated dealing with outdoor patios on Preston Street. The pilot project saw the reduction to approximately 43 per cent of the normal encroachment rate. As directed by Transportation Committee, an end of term report summarizing the results of the pilot project is being provided.

DISCUSSION

In the spring of 2011, the Preston Street Business Improvement Area (BIA), approached staff and the Ward Councillor in order to seek relief from the normal permit fees for outdoor patios. Citing that "Little Italy" is a unique cultural district and that the majority of businesses in the area are independently owned, the Preston Street BIA argued that a

reduction in the fee would increase the opportunities for new patios animating the recently reconstructed street.

Transportation Committee approved a motion at its May 4, 2011 meeting, which subsequently reduced the normal outdoor patio permit fee to approximately 43 per cent and concurred with the BIA that the success of the pilot project would be measured by the amount of new growth in the number of patios and the retention of existing patios.

Over the two year pilot project period, the area in question saw an increase of two patios, one in each year of the pilot project. The new patio installed in the first year of the pilot project was technically applied for and approved, prior to the establishment of the pilot project. During the same time frame, areas outside the pilot project saw an increase in Outdoor Patio applications and approvals, primarily in: Rideau-Vanier; Somerset; Kitchissippi and River Wards.

Number of New Outdoor Patios			
Ward	2011	2012	Total
Rideau Vanier	1	1	2
Somerset*	4	6	10
Kitchissippi	0	2	2
River	1	0	1
Somerset**	1***	1	2

* Not including the area covered by the Pilot Project

** Only the area within the Preston BIA included as part of the Pilot Project.

*** The Patio was approved in 2010 but was only installed on Road Allowance after the Pilot Project was in place.

In 2011, City Council approved amendments to the Encroachment By-law, which governs the establishment of Outdoor Patios on City Road Allowance. The amendments, in part, relaxed the provisions related to the establishment of a patio within 30 metres of a residential zone. As the table above highlights that the most significant growth in Outdoor Patios was outside the Pilot Project area - in locations previously not permitted due to their proximity to residential zones. It would appear that the standard permit fee may not be a hindrance to the establishment of new patios but possibly the former restrictive regulations for patios abutting residential zones.

In terms of revenue, the reduction in permit fees to 43 per cent of the standard rate (i.e. \$ 0.55/m²/day) under the pilot project, resulted in a net loss to the City of approximately \$51,000.00 over the two years. Had the reduction in permit fees been applied to all Outdoor Patios, the loss in City permit fee revenues would have been approximately \$263,000 per year.

Given that the success of the Pilot Project, as per Council directive and as recommended by the Preston Street BIA, was to be measured by “the amount of new growth in the number of patios and the retention of the existing patios”, and given that the implementation of a reduced fee did not relate to a significant increase in new outdoor patios, staff’s position is that the pilot project did not achieve the desired results and all patios on City Road Allowance should be subject to the same standard fee.

Staff will undertake a review of the current Outdoor Patio Permit Fee Structure in consultation with all BIAs.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

Along with consulting the Preston Street BIA on the specifics of the pilot project, staff also met with representatives of the other BIAs in Ottawa. Given that concerns were expressed with the existing patio permit fee structure, staff agree to consult with the BIAs in a review of by-law provisions dealing with fees and table a report at Transportation Committee prior to, or early into, the 2013 patio season.

COMMENTS BY THE WARD COUNCILLORS

This is a City-Wide report – not applicable.

LEGAL IMPLICATIONS

There are no legal impediments to receiving this report.

RISK MANAGEMENT IMPLICATIONS

No risk management implications have been identified for this report.

FINANCIAL IMPLICATIONS

This is an information report; there are no direct financial implications.

ACCESSIBILITY IMPACTS

No accessibility impacts have been identified for this report.

ENVIRONMENTAL IMPLICATIONS

No environmental implications have been identified for this report.

TECHNOLOGY IMPLICATIONS

There are no technical implications associated with this report.

TERM OF COUNCIL PRIORITIES

No direct impact on the 2010-2014 Term of Council Priorities.

DISPOSITION

Outdoor patio operators in the Preston Street BIA will be notified that as of the start of the 2013 patio season, their permit fees will revert to the standard fee as with all Outdoor Patios on City Road Allowance.