

Planning & Development Report to  
Combined Meeting of Council  
2020 June 15

ISC: UNRESTRICTED  
C2020-0650

## **COVID-19 Relief Package to Support Patios on Private Property**

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### **EXECUTIVE SUMMARY**

The COVID-19 pandemic has had a deep impact on our city, our province and the world. The City of Calgary has been working to respond to the crisis by supporting citizens, businesses and organizations who have seen dramatic shifts in their everyday lives. On 2020 May 11, Council received a report on the new process in place for temporary patios on public lands, and the additional measures to process applications for those residing on private property. This report proposes additional support for patios on private property associated with restaurants; Administration is now proposing to waive the fees for development permits for outdoor cafes over a six (6) month period from 2020 May 01 to 2020 October 31; retroactively reimbursing applicants who applied between 2020 May 01 to 2020 June 15, and waiving fees for any new applications between 2020 June 15 and 2020 October 31. See Attachment 1 for the associated Planning & Development Fee Schedule with this proposed change applied.

This measure removes the development fees associated with implementing a patio on private property, which will broaden the financial relief to food establishments during this time of economic distress. This financial relief will support additional restaurants in expanding their operations outside, helping them to align their business more closely with the distancing guidelines set by the provincial government in serving patrons; addressing one aspect of that recovery to support local restaurants and establishments and providing Calgarians with more safe, outdoor, entertainment and social opportunities.

Businesses with outdoor cafes will be required to follow Alberta Health requirements as well as Occupational Health and Safety requirements. If alcohol is to be served, establishments will be required to follow Alberta Gaming, Liquor & Cannabis (AGLC) requirements and permitting requirements. A building permit may be needed if structures are required for the outdoor cafe or if there is no exit directly to the street from the outdoor cafe.

#### **ADMINISTRATION RECOMMENDATION:**

That Council approve the temporary amendment identified in Attachment 1 to the 2020 Planning Applications Fee Schedule to change the Outdoor Cafe Development Permit to \$0 N/A GST, to take effect 2020 May 01 up to and including 2020 October 31.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

During the COVID-19 pandemic, The City is currently offering a variety of municipal financial relief measures.

On 2020 May 11, Council received a report from the Roads business unit (C2020-0543) on a new process for temporary patios on public lands to provide further support for restaurants to extend their operational footprint into an outdoor environment to provide additional support during the COVID pandemic. Also outlined C2020-0543 was Planning & Development's

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commitment to streamline applications for patios that require development permits as much as possible.

On 2020 April 30, at a Strategic Meeting of Council as part of the Discussion on Municipal Relief (Verbal) C2020-0508 Council approved several Planning & Development municipal relief measures to enhance the flexibility of permits, and to waive, defer or simplify fees to provide additional support to the development and business community. Federal and provincial policy relief measures are also outlined in presentation C2020-0508 and include measures benefiting individuals and businesses. Additionally, Council directed Administration to return to the 2020 May 11 Strategic Council Meeting with a report to provide additional information on Municipal Relief (C2020-0542).

On 2020 April 06, Council approved Property Tax relief measures for citizen and business taxpayers facing financial hardship and Utility payment deferrals without penalty or interest for residential and some small business customers (C2020-0382).

### **BACKGROUND**

The City of Calgary has developed Municipal Relief Packages to aid in the recovery from COVID-19. The provincial relaunch plan stipulates health regulations around physical distancing requirements needing to be met by restaurants. This limits establishments that do not have the ample space to abide by the regulations. Administration explored options to assist businesses to obtain the space they need to operate while Alberta continues its recovery. The proposed fee change in this report will align with the current direction of patios in public spaces and will support the restaurant sector by providing additional space at a time when they need it the most.

The waiving of the development permit fee for outdoor cafes allows for restaurants and food establishments the opportunity to increase the number of patrons they can serve, as it provides additional space for restaurants to align their operations with the provincial requirements around social distancing. Calgarians will have more opportunities to socially interact with one another in a safe way as the city continues to implement the province's relaunch plan.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

To further support restaurants during this unprecedented event, Administration is proposing to waive development permit fees for outdoor cafes in support of patios on private property, to help restaurants to expand their current operations and still abide by provincial health regulations. This measure further expands the support already provided to restaurants with patios on private property which includes streamlining of applications and other fee relief that was already in place as of 2020 May 01.

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### Support for the Restaurant Business Sector

Outdoor cafe development permits are required for the development of a patio for a restaurant on private property. As per the 2020 Planning & Development Fee Schedule, the fee for outdoor cafe development permits is \$898. If an application also included usage of public space like a sidewalk, the applicant would be required to pay an additional fee for a licence of occupation for the usage of the public space. Since 2020 May 11, a new process in place for licence of occupation, which reduces the financial burden of the applicant for patios on public land.

Administration is now proposing to waive the \$898 fee for outdoor cafe development permits, making it so applicants pay nothing (\$0) for their development permit, to further reduce the financial burden of developing patios associated with restaurants. On an annual basis, Planning & Development receives approximately 100 – 150 applications for outdoor cafes. By waiving the fee The City is forgoing approximately \$90,000 to \$135,000 in revenue; freeing up what would have been an additional cost, for restaurants to use to reinvest back into their business; offering any restaurant or food establishment with ample outdoor space on private property, the opportunity to open a cafe without additional financial hardship.

### Support for Calgarians

Calgarians have been social distancing since the beginning of 2020 March. Outdoor patios provide an opportunity of Calgarians to meet at a distance, while enjoying the outdoors. The provincial government has set new guidelines for restaurants, cafes, and bars as recently as 2020 June 04. These types of establishments require a two-metre distance between tables, and can only have a maximum seating capacity of 50 per cent. Smaller food establishments will have difficulty complying with these requirements as they do not have physical space needed to comply with these rules. The ability to develop an outdoor cafe or patio at a reduced cost will help keep businesses running, and provide Calgarians with additional entertainment, and social opportunities.

### Application Process

To initiate an application for an outdoor cafe development permit, businesses will be required to submit a permit through Planning & Development. Administration will review the request and render a decision on the application.

Planning & Development has streamlined the intake and approval process to support businesses that apply for outdoor cafes, providing a single point of contact that will expedite the process. Administration will make every effort to streamline these applications, however, there are Land Use Bylaw requirements including mandatory notice posting, advertising and the appeal period that cannot be eliminated from the approval process. Applicants will be required to provide the number of tables and chairs proposed and what they will use to delineate the space. If the development permit is approved, a building permit may be required. Site visits will be completed regularly by staff to ensure permission conditions are being followed.

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### Timeframe of Waived Fee

The duration of the waived fee for outdoor cafe development permits will be valid for six (6) months from 2020 May 01 to 2020 October 31, to align with the timing of other relief measures in Planning & Development and to align with the outdoor patio season. For any outdoor cafe that has been submitted between 2020 May 01 and 2020 June 15, The City of Calgary will grant a refund on their permit fees. While the development fees for outdoor cafes will be waived, businesses will still be required to apply for a development permit for an outdoor cafe.

### **Stakeholder Engagement, Research and Communication**

The Business Support Task Force has engaged with business stakeholders; specifically the restaurant sector, Business Improvement Areas (BIA), and Civic Partners. All are very supportive of the relief package to support patios on private land

### **Strategic Alignment**

This initiative supports Citizen Priority, A Prosperous City, by providing relief for local businesses during the COVID-19 pandemic.

### **Social, Environmental, Economic (External)**

Providing relief for businesses requiring outdoor cafes will support economic recovery. Allowing for extra space for patrons of establishments could help satisfy social/physical-distancing requirements set out by the Medical Officer of Health in Alberta.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

The City of Calgary usually receives around 100 to 150 applications for outdoor cafes each year (110 permits were submitted in 2018, and 120 permits in 2019). The current cost of a development permit for an outdoor cafe is \$898. Based on the previous years' volumes, the expected range in forgone revenue for waiving the development permit fee is \$90,000 to \$135,000.

This proposed relief measure will be funded from the Planning & Development Sustainment Reserve, which had a 2020 opening balance of \$81.7 million. This reserve has sufficient capacity to support this measure, and this measure is an appropriate use of this reserve.

#### ***Current and Future Capital Budget:***

There are no capital budget impacts as a result of this report.

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### **Risk Assessment**

There is a risk of delays in processing approvals if requests overwhelm available resources which could result in delays in timelines. Finally, while every effort will be made to assist establishments to expand and/or develop patios in accordance with the provincial guidelines, there may be constraints related to available space in each circumstance or safe conditions required to operate that space, both publicly and privately. Administration will work with stakeholders and each request to come up with the best solution.

### **REASON(S) FOR RECOMMENDATION(S):**

In an effort to support local business during the COVID-19 pandemic, the City of Calgary is proposing additional permit fee relief for patios on private property.

### **ATTACHMENT(S)**

1. Attachment 1 – 2020 Planning Applications Fee Schedule