City of Orange

Legislation Details (With Text)

File #:	21-0237 **Version:** 2		
Type:	Administrative Reports	**Status:**	Agenda Ready
File created:	4/27/2021	**In control:**	City Council
On agenda:	7/13/2021	**Final action:**	
Title:	Orange Plaza Paseo.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Staff Report, 2. Item 7.1 Hot File		

Date	Ver.	Action By	Action	Result
7/13/2021	2	City Council	Approved	Pass
7/13/2021	2	City Council	Approved	Pass

TO: **Honorable Mayor and Members of the City Council**

THRU: **Rick Otto, City Manager**

1. SUBJECT

Orange Plaza Paseo.

2. SUMMARY

On July 1, 2020, the Governor issued an executive order prohibiting restaurants from operating indoor dining spaces to prevent the spread of the COVID-19 virus. In response, at their Special Meeting on July 2, 2020, the City Council directed the closure of the 100 blocks of North and South Glassell Street to create the Orange Plaza Paseo, where restaurants and shops in the Plaza area could provide outdoor dining and shopping to their customers. As the executive order continued through all of 2020 and into 2021, the City Council approved extensions of the Paseo on July 28, 2020, September 8, 2020, and December 8, 2020 until such time that State or local restrictions are lifted or by City Council direction.

On June 15, 2021, the Governor terminated the Stay Home Executive Order and phased out the Blueprint for a Safer Economy to fully reopen the economy. As a result, staff is providing options and seeking City Council direction on the immediate future and long-term strategy of the Paseo.

3. RECOMMENDED ACTION

Provide direction in relation to the closure of the Paseo by August 16, 2021, as well as provide direction related to long-term use of the Paseo for seasonal or permanent use.

4. FISCAL IMPACT

powered by Legistar™

The positive fiscal impact to the restaurants and shops in the Plaza has been significant. The fiscal impact to the City of implementing and operating the temporary closure is approximately $50,000 per month and an additional cost of $30,000 for set-up and take down.

5. STRATEGIC PLAN GOALS

Goal 1: Be a fiscally healthy community

D: Effectively manage and develop city assets

6. DISCUSSION AND BACKGROUND

On July 1, 2020 due to the number of positive COVID-19 cases in California, the Governor issued an executive order that prohibited restaurants from operating indoor dining spaces. In response, at their Special Meeting of July 2, 2020, the City Council directed the closure of the 100 blocks of North and South Glassell Street and issued a citywide outdoor dining and retail program so businesses could provide outdoor services to their customers. The Orange Plaza Paseo (100 blocks of North and South Glassell Street) and the outdoor dining and retail program began on July 8, 2020 and initial costs were minimal to the City and businesses.

On August 28, 2020, the Governor introduced the State's "Blueprint for a Safer Economy" which delegates each county into a four-tiered system. Through the next several months, the County of Orange moved between the most restricted tiers, which limited in-door dining and retail opportunities. As a result, subsequent meetings of the City Council extended the Paseo and on December 8, 2020, the City Council extended the Paseo and the citywide outdoor dining and retail program until such time that the State or local restrictions are completely lifted or by City Council direction.

On April 6, 2021, the Governor announced the State's plan to fully reopen the economy on June 15, 2021 if certain criteria were met. With COVID-19 cases significantly dropping and vaccination numbers increasing, the Governor terminated the Stay Home Executive Order and fully reopened the economy effective June 15, 2021. In anticipation of the June 15th reopening date, at their June 8, 2021 City Council meeting, the City Council agendized this item for the July 13, 2021 meeting to discuss the short and long-term strategy of the Orange Plaza Paseo. In this report, staff will provide the following:

- Feedback from Old Towne merchants, property owners and stakeholders
- Fiscal outcomes including sales tax revenue analysis and fiscal impacts to city resources
- Options for City Council consideration

The Orange Plaza Paseo continues to be a popular and successful destination. The response from the businesses, residents, and visitors has been very positive and many have expressed their appreciation and continued support. A large part of the success can be attributed to the partnerships established between the merchants, city staff, and the Orange Chamber of Commerce. Staff remains in close contact with the businesses to quickly address any issues as well as looking for ways to improve the patron experience with open communication, as well as being flexible with conditions that promote all businesses in the downtown area.

Feedback

In anticipation of City Council's consideration of the Paseo, staff held a virtual meeting with the merchants along Glassell Street on November 19, 2020. The purpose of this meeting was to gather feedback, inquiries, and opinions of the Paseo and its future with the understanding that some form of the Paseo could return but limited to Glassell Street. Thirteen attendees participated and

expressed their appreciation and support of the Paseo along with recommendations to enhance the area.

Furthermore, in preparation of this report, staff reached out to Old Towne merchants, property owners, and stakeholders to include their feedback on the future of the Paseo. At final editing of this report, fourteen responses were received. Of the fourteen, thirteen were supportive of continuing some form of the Paseo (permanent or seasonal) and one was against. Furthermore, of the thirteen that were supportive, seven were retail stores and four were restaurants. All in favor of the Paseo confirmed positive impacts to their businesses and offered recommendations on how to improve the customer experience.

In addition to the direct outreach made by staff, several other restaurants, property owners, and the public have contacted the City directly to provide their support in the continuation of the Paseo since its onset. In the last few months, the Orange Chamber of Commerce also performed their own engagement with the downtown merchants and received very positive input and support of a permanent or seasonal Paseo.

Furthermore, the City has received significant positive feedback from our residents and visitors about the Paseo. The public has thoroughly enjoyed the safe, family friendly environment. As a result, the Paseo further enhanced the Plaza area as a top dining and shopping destination in Orange County. That said, the City has also received negative feedback from nearby residents who have been impacted by the change in traffic patterns caused by the closure of Glassell.

Finally, the Orange International Street Fair Board (Board) has advised the City that any closure of the Plaza quadrants or the 100 blocks of North and South Glassell Street, will negatively impact their execution and operation of the Orange International Street Fair (OISF), scheduled for Labor Day weekend. The Board indicated that the continued closure of the Plaza or Glassell would require them to significantly change the fair footprint which would be an extreme hardship at such a late notice. As such, they have indicated that conducting the OISF would be very difficult, if not impossible, if the footprint was restricted to Chapman Avenue only.

Fiscal Outcomes

In reviewing sales tax information for the Paseo (100 blocks of Glassell and 200 blocks of Chapman), comparing July 2020 - March 2021 to July 2019 - March 2020, there was an overall increase of 3.6% with both restaurants and retailers slightly exceeding the prior year in spite of the pandemic. While sales tax figures reflect an overall increase in the first nine months of the Paseo compared to the previous year, without the Paseo the losses by the Plaza area merchants would have been significant.

The fiscal impact to the City is approximately $50,000 per month. The initial cost to mobilize and set-up the Paseo was $20,000. The ongoing operating costs of $50,000 per month include staff time, contractual service, supplies and equipment. Staff and resources have been adjusted to accommodate the ongoing management of the Paseo to maintain the streets, sidewalks, and trash service. Staff is on-hand seven days a week for daily cleaning and responding to calls for service. Should the Paseo become permanent or seasonal, additional resources would be required to maintain current service levels at an annual cost to be determined based on City Council direction.

With dining and retail restrictions lifted by the State of California, the initial nexus for the establishment of the Paseo has ended. That said, as noted in the sales tax figures above, our Plaza area restaurants and retail establishments continue to feel the impact of the COVID-19 pandemic.

Paseo Options

Per City Council direction at the December 8, 2020 and June 8, 2021 meetings, provided below for City Council consideration are short and long-term options for the Paseo:

Option 1 - Keep Paseo Open

Direct staff to study a permanent closure of the 100 blocks of North and South Glassell Street. As part of the study, staff will redesign and prepare a cost estimate for the permanent traffic control, lighting, fire access to the adjacent buildings, police patrolling, and maintenance cost. Staff would coordinate with OCTA with this option due to a closure of a section of a major arterial street system. There will be a small potential (negligible) loss of Measure M tax as a result of a permanent closure. In addition, bus routes would be permanently detoured to either Grand Street and Lemon Street for north and south bound movements. An environmental study (CEQA) would be performed to determine what, if any, impacts a permanent closure would cause to the area. Considerations of the historic designation of the area would be examined and deliberated, a more formal permit process would be established, and operational impacts and contractual obligations of annual events would be determined. In addition, staff would work closely with Old Towne merchants to develop comprehensive outdoor dining and retail standards for outdoor dining and retail equipment including canopies, signage, furniture, lighting, and public spaces as well as the possible addition of live entertainment. These standards would create a cohesive look to the Paseo and increase the overall appearance and safety of the area. Staff would also develop a more formal permit process to include, but not limited to, defined criteria, liability assurance, and a potential permit fee. Finally, a permanent street closure system will be evaluated and costs identified. The operational cost is approximately $50,000 per month. Staff would return at a later date with a more comprehensive report on a permanent closure. As part of this option, it is recommended that the Paseo be closed by August 16th so that the OISF can be conducted using its traditional footprint. If the Paseo becomes permanent, the City will need to work with the OISF Board to address possible footprint and/or optional changes.

Option 2 - Close Paseo permanently

Close the Paseo and reopen the Plaza and the 100 blocks of North and South Glassell Street resuming vehicular traffic. Such closure should occur by August 16, 2021 to ensure adequate preparation for the OISF.

Option 3 - Close Paseo However Reopen Seasonally

Close the Paseo and reopen the Plaza and the 100 blocks of North and South Glassell Street by August 16, 2021, however approve an annual seasonal closure of the 100 blocks of North and South Glassell Street. Seasonal closures could be from late Spring/early Summer and through three weeks prior to the OISF and/or during the winter holiday season. It is recommended that Chapman Avenue, the Plaza quadrants, and spoke streets would not be included in the seasonal Paseo closure. The estimated cost for a seasonal Paseo, which includes mobilization, set-up, and demobilization is $20,000 per closure with a monthly labor and equipment cost of approximately $50,000. Staff would need to consult and coordinate with OCTA to determine a bus detour route. Similar to the above option for a permanent Paseo, staff would work closely with Old Towne merchants to develop comprehensive outdoor dining and retail standards for outdoor dining and retail equipment including canopies, signage, furniture, lighting, and public spaces as well as the possible addition of live entertainment. These standards would create a cohesive look to the Paseo and increase the overall appearance and safety of the area. Staff would also develop a more formal permit process to include, but not limited to, defined criteria, liability assurance, and a potential permit fee. Finally, an

powered by Legistar™

environmental study (CEQA) would be conducted to determine what impacts a seasonal closure would cause to the area. Staff would return at a later date with a more detailed report on the establishment of a seasonal Paseo.

Option 4 - Alternatives to expand outdoor dining and retail

Direct staff to research and report alternatives to expand dining and retail along North and South Glassell Street and East and West Chapman including, but not limited to, removing on-street parking and extending sidewalk areas. Considerations to take into account are the permanent reduction of on-street parking, operational impacts and contractual obligations to annual events, the establishment of a more formal permit process, and the development of standards for a more cohesive look. Staff would return at a later date with a more comprehensive report to provide alternatives to extend outdoor dining and retail space along Glassell Street.

As noted above, staff is assessing a more efficient approach to overall Plaza closures. As such, staff is also assessing enhanced methods of closing all or portions of the Plaza area streets, including retractable bollards or a similar infrastructure for a more aesthetically pleasing look during street closures.

Conclusion

The Orange Plaza Paseo has been extremely successful. It helped Plaza area merchants weather the pandemic as well as became the safe and family friendly place for people to gather. On June 15, 2021, the Governor terminated the Stay Home Executive Order and phased out the Blueprint for a Safer Economy to fully reopen the economy. As a result, staff is requesting City Council direction in relation to the closure of the Paseo by August 16, 2021 as well as provide direction related to short and long-term use of the Paseo for seasonal or permanent use. Staff will return at a later date with a more comprehensive report should the City Council wish to keep the Paseo open, either permanently or on a seasonal basis.

7. ATTACHMENTS

- None

powered by Legistar™