#### ORDINANCE NO. 2586

## ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHICO AMENDING CHAPTER 14.70 OF THE CHICO MUNICIPAL CODE TO REGULATE THE USE OF PUBLIC RIGHT-OF-WAY FOR OPERATION OF OUTDOOR CAFES (City of Chico)

**BE IT ORDAINED** by the Council of the City of Chico:

SECTION 1. Chapter 14.70 of the Chico Municipal Code is hereby revised as set for below, thereby further regulating the use of the public right-of-way for operations of outdoor cafes. CHAPTER 14.70 – USE OF PUBLIC RIGHT-OF-WAY FOR OPERATION OF OUTDOOR CAFES

#### 14.70.010 Purpose.

This chapter is adopted pursuant to the municipal affairs provisions of the city charter for the purpose of regulating the operation of outdoor cafés in the public right-of-way.

#### 14.70.015 Definitions.

For purposes of this chapter, "outdoor café" is defined as outdoor spaces located either within the sidewalk area of the public right-of-way that are associated with adjacent eating and/or drinking establishments, and/or located in a street space formerly dedicated to parking spaces that serves as an extension of an eating and/or drinking establishment.

14.70.020 Administration by public works director.

The director of the public works department, or his or her designee, shall administer this chapter. Where used in this chapter, the term "director" shall refer to the public works director.

14.70.025 Administrative review of determination or action of director by city manager.

A. Right to Administrative Review. Any person aggrieved by a determination made or action taken by the director pursuant to this chapter may apply for administrative review of such determination or action.

B. Applications for Administrative Review. Applications for such administrative review shall be in writing and shall be filed in the office of the city manager no later than 15 days following the date such determination or action was made or taken, or where written notice of such determination or action is required to be served, the date such notice is served. However, the city manager may extend the time for filing an application for good cause shown. Each application shall identify the determination made or action taken for which review is sought, state the reasons why the applicant believes that such determination or action does not comply with the provisions of this chapter, and set forth the relief requested from such determination or action.

C. Decision on Application for Administrative Review. When an application for administrative review is filed under this section, the city manager shall consider the application and render a decision affirming, reversing or modifying the determination or action of the director. Prior to rendering a decision, the city manager may, with sole discretion, convene an informal hearing for the purpose of reviewing evidence or hearing arguments bearing on such decision. Notice of the date, time and place of such hearing shall be given to the director and the person who filed the application for administrative review within a reasonable time prior to such hearing. After rendering a decision, the city manager shall promptly inform the director of the decision and shall cause a notice of the decision to be served on the person who filed the application for administrative review.

D. Stay of Determination Made or Action Taken by Director Pending Administrative Review. Any determination made or action taken by the director in accordance with this chapter, except for an order to stop work issued by the director or the commencement or prosecution of work by the director to remove or remedy a condition in a public right-of-way or public service easement which threatens the safety of life or property, shall be stayed pending a decision of the city manager on an application for administrative review of such determination or action.

## 14.70.030 Appeal from decision of city manager to city council.

Any person aggrieved by any decision rendered by the city manager pursuant to this chapter may appeal to the city council pursuant to Chapter 2.80 of this code.

14.70.040 [Repealed by Ord. 2258 §4, effective 2/7/03]

# 14.70.050 Prohibition on operating an outdoor café in the public right-of-way without license.

It is unlawful for any person to operate an outdoor café in the public right-of-way without a license issued pursuant to this chapter.

### 14.70.060 License to operate an outdoor café in the public right-of-way.

The director may issue a license to a property owner pursuant to this chapter to authorize the operation of an outdoor café in the public right-of-way as follows:

A. Use of Existing Sidewalk. Where an eating and/or drinking establishment proposes to operate an outdoor café in the public right-of-way on an existing sidewalk without widening the sidewalk then that portion of the public right-of-way which may be utilized for the operation of an outdoor café shall be limited to that area of the sidewalk directly adjacent to proposer's establishment. Such a license may be issued directly to the proposing business owner or operator. B. Widening of Sidewalk. Where an eating and/or drinking establishment proposes to operate an outdoor café in the public right-of-way and the proposal includes the widening of sidewalk by converting existing on-street parking space(s) to additional sidewalk directly in front of or adjacent to the property owner's property, then a license for the use of the public right-of-way for the operation of outdoor cafés may be issued to the property owner. Such use shall be limited as follows:

1. When parallel parking is adjacent to the sidewalk:

 No more than two parking spaces per license, located directly in front of or adjacent to the proposer's eating and/or drinking establishment, may be converted to widened sidewalk for use as an outdoor café,

b. The two parking spaces that may be converted to widened sidewalk may either be two parking spaces on one block or one parking space on each side of and directly adjacent to the corner of a block where two public streets intersect,

2. When diagonal parking spaces are adjacent to the sidewalk:

 a. No more than three parking spaces per license, located directly in front of or adjacent to the subject license's eating and/or drinking establishment, may be converted to widened sidewalk for use as an outdoor café.

b. Where possible, as determined by the director, diagonal spaces shall be converted to parallel parking spaces.

3. All costs attendant to the widening of sidewalk for the operation of an outdoor café shall be at the property owner's sole cost and expense; and

4. The construction and maintenance of all widened sidewalk shall comply with the requirements of Title 18R and be constructed pursuant to a valid encroachment permit.

## 14.70.070 Applications for license to operate an outdoor café in the public right-of-way.

Applications for a license authorizing the operation of an outdoor café in the public right-of-way shall be filed in the office of the director, shall be in a form and contain the information prescribed by the director, and shall be accompanied by a license fee in an amount established by resolution of the city council based on the estimated cost of processing the license application and otherwise administering the provisions of this chapter. Applications for licenses in accordance with Section 14.70.060(A) may be issued to the proposing business owner or operator or to the property owner. Applications for licenses in accordance with Section 14.70.060(B) may only be issued to the property owner.

A. License for temporary use of the public right-of-way. If a proposed outdoor café consists only of the temporary placement of tables and chairs in the public right-of-way during the outdoor cafe's hours of operation, does not include any permanent physical improvements in the public right-of-way, and does not include the service or consumption of alcoholic beverages, then the application shall contain a plat and a photograph of the front of the eating and/or drinking establishment depicting the area within the public right-of-way proposed to be used for the outdoor café.

B. License for permanent use of the public right-of-way. If a proposed outdoor café consists of tables and chairs that remain in the public right-of-way beyond the hours of operation of the outdoor café, include any permanent physical improvements in the public right-of-way, or includes the service or consumption of alcoholic beverages then the application shall be accompanied by:

1. The signed consent of the business owner(s) and property owner(s) of the business requesting the license and the property upon which the business is located;

2. A plat and detailed site plan, drawn to scale, noting dimensions of the area proposed for the outdoor café; the proposed number and location of tables, chairs and other furnishings to be included in the outdoor dining area; the composition, design, and location of all physical barriers; the location and nature of any proposed landscaping; the relationship of the outdoor dining area to the indoor dining area; and all sidewalk obstructions in the vicinity of the proposed outdoor café;

3. A detailed description of the type, color, and material of all proposed outdoor furniture, such as tables, chairs, barriers, planters, umbrellas, signs, and lighting; and

4. Submittal of a complete application for site plan and architectural review to the Community Development Department.

#### **14.70.075** Architectural review.

All applications for a license authorizing the permanent use of the public right-of-way for operation of an outdoor café as defined in section 14.70.070(B) shall be subject to architectural review pursuant to Chapter 19.18. The planning director may review and approve the proposed

site plan and architectural design of the proposed outdoor café or refer review to the Architectural Review Board pursuant to section 19.18.030. Any decision regarding a proposed site plan and architectural design may be appealed pursuant to Chapter 19.12. Licensee shall maintain the outdoor café in accordance with site design and architectural review approval.

# 14.70.080 Action on applications for license to operate an outdoor café in the public rightof-way - Approval of application and issuance of license.

When the director determines that a completed application has been filed for a license to operate an outdoor café in the public right-of-way and there are no grounds for denying such license and provided that the proposed site plan and architectural design have been approved, if such approval is required by section 14.70.075, then the director shall issue the license subject to all of the general and special conditions provided for by this chapter provided also that the applicant has provided the comprehensive liability insurance required as a condition precedent to the issuance of such license.

# 14.70.090 Action on applications for license to operate an outdoor café within the public right-of-way - Denial of application.

A. Grounds for Denial. The director shall deny an application for a license authorizing the operation of an outdoor café in the public right-of-way if:

1. The request does not comply with this chapter;

2. The director determines that the equipment to be used or improvements made by the applicant are unsafe and would present a danger to the general public using the public right-ofway, or would unreasonably block or obstruct the public right-of- way; or

3. The area which is the subject of the application is already the subject of a permit or franchise granting exclusive use of that area to another person.

B. Notice of Denial. When the director determines to deny an application for a license authorizing the operation of an outdoor café in the public right-of-way, the director shall promptly

cause a notice of such determination to be served on the applicant. Such notice shall state the reasons for the determination not to approve the application and shall set forth the right of the applicant to appeal such determination to the council in the manner provided for by <u>Title 2</u> of this code.

# 14.70.100 Comprehensive liability insurance. [Repealed and Replaced by Ord. 2409 §10,11, effective 9/02/10]

#### 14.70.100 General liability insurance.

As a condition precedent to the issuance of a license authorizing the operation of an outdoor café in the public right-of-way, the applicant shall obtain commercial general liability insurance (occurrence policy form) from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better or, in the alternative, an unlicensed U.S. domiciled company or companies with an "A" rating, which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, with a maximum policy deductible of \$5,000.

The insurance coverage required herein shall be evidenced by a certificate of insurance with policy endorsements and shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to the City of Chico at least 30 days prior notice of cancellation or material change in coverage, or ten days prior notice of cancellation for non-payment.

Applicant acknowledges and agrees that the City of Chico, its officers, boards and commissions, and members thereof, its employees and agents, are covered as additional insureds with respect to any liability arising out of the activities of applicant as the named insured. Such additional insured status shall be evidenced by a policy endorsement executed by an authorized official of the insurer(s).

The insurance coverage required herein shall be primary insurance with respect to the City of Chico, its officers, officials and employees. Any insurance or self-insurance maintained by the City of Chico, its officers, officials or employees shall be in excess of the insurance afforded to the named insured by the insurance coverage required herein and shall not contribute to any loss. Such primary insurance status shall be evidenced by a policy endorsement issued by an authorized official of the insurer(s). In the alternative, a letter issued by an authorized official of the insurer(s) and copies of the pertinent page(s) of the policy shall satisfy this requirement.

# 14.70.110 General conditions of license to operate an outdoor café in the public right-ofway - Operations restrictions.

As a further condition on the issuance of a license authorizing the operation of an outdoor café in the public right-of-way, the business owner or operator shall conduct and carry out such operation only in the following manner:

A. The hours of operation of outdoor cafés shall be limited to the hours of 6:00 a.m. and 11:00 p.m. of the same day.

B. Outdoor cafés shall not obstruct sidewalk pedestrian traffic, accessibility to vehicles parked adjacent to the curb, or create public health or safety hazards.

C. A five-foot minimum paved clear and unobstructed dimension for pedestrian use shall be required that complies with the Americans with Disabilities Act and all requirements for disabled access.

D. Outdoor cafés shall be used only as seating areas. Storage, kitchen, or restroom uses are not allowed.

E. Signs not in conformance with the sign ordinance are prohibited.

F. Lighting shall not be affixed to any vehicle, tree, or other city property.

G. Noise produced by any audio equipment or other device used to attract attention to the place where the food or beverage is being sold shall not exceed the noise limits prescribed by state laws and regulations or <u>Title 9</u> of this code. Live amplified music shall not be allowed.

H. Except as permitted by the director, equipment used in the operation of an outdoor café in the public right-of-way shall be removed from the public right-of-way when the operation is not in use.

I. Equipment used and improvements built for the operation of an outdoor café in the public right-of-way shall be maintained and operated in a safe and sanitary manner and in a manner which does not unreasonably obstruct or interfere with the use of a city public right-of-way.

J. Drainage facilities shall remain clear and operational at all times at the sole expense of licensee and all other public facilities and public utilities shall remain free and clear of all obstacles and obstructions.

K. The sidewalk area within 100 feet of the restaurant and outdoor café shall be monitored for trash that may be produced by the operation of an outdoor café and the business owner and operator at their sole expense shall be responsible for keeping this area clean.

L. Appropriate receptacles for trash and cigarettes shall be present in outdoor cafés located in the public right-of-way during all hours of operation and shall be removed from the public right-of-way when the operation is not in use. Receptacles are to be of a type approved by the director.
M. The licensee and business owner(s), as applicable, shall agree, through the execution of an agreement in a form approved by the City Attorney, to hold the city and its elected officials, officers, employees, and agents harmless from any and all liability arising from operation of the outdoor café.

N. Licenses granted directly to business owners or operators shall not be transferable in any manner.

O. The city may conduct periodic inspections of the outdoor café during occupancy to ensure the licensee is in compliance with the maintenance, operations, accessibility, and other requirements of this chapter and all required design and architectural standards.

## **14.70.115** General conditions of license to operate an outdoor café in the public right-ofway - Alcoholic beverages or widened sidewalk.

In addition to the general conditions required by section 14.70.110, and as additional conditions authorizing the operation of an outdoor café that includes the service or consumption of alcoholic beverages or the widening of sidewalk, the licensee shall conduct and carry out such operation only in the following manner:

A. No stand-up or take-out service shall be permitted in the outdoor café area.

B. Alcoholic beverages shall only be consumed within the outdoor café area. The business owner or operator shall not permit patrons to leave the confines of the outdoor café with any alcoholic beverages and shall not permit patrons to give or sell alcoholic beverages to any person outside the outdoor café area.

C. The business owner or operator shall post a written notice to patrons that the drinking or carrying of an alcoholic beverage is prohibited outside the outdoor café area.

D. The service of alcoholic beverages must be licensed by the California Department of Alcoholic Beverage Control and comply with all licensing requirements.

E. Outdoor cafés shall be separated from the adjacent sidewalk by a physical barrier such as a railing, fence, or planter, composed of metal, wood, or similar material, that is at least 30 inches high and with openings no more than five feet wide.

F. Business owner or operator or his or her employees shall actively monitor the outdoor café area to ensure compliance with all conditions regarding the service or consumption of alcoholic beverages and at least one employee shall be present in the outdoor café area at all times that alcoholic beverages are served or consumed.

14.70.120 Special conditions of license to operate an outdoor café in the public right-of-way.

When acting on a license authorizing the operation of an outdoor café in the public right-of-way, the director may condition issuance of such license on compliance with any special requirements which the director determines are necessary to ensure that the equipment used is maintained and operated in a safe and sanitary manner and in a manner that does not unreasonably obstruct or interfere with the use of a city street or sidewalk. The director may set timelines on construction activities and require bonds during construction.

#### 14.70.130 Term of license to operate an outdoor café in the public right-of-way.

A. The maximum term of a license authorizing the operation of an outdoor café in the public right-of-way shall be one year. At the end of its term, a license, may be renewed for the following year by the payment of a fee in an amount established by resolution of the city council based on the cost of processing license renewals and otherwise administering the provisions of this chapter. The operation and maintenance of an outdoor café during any renewed licensing period shall be subject to the provisions of this chapter in effect during that licensing period.

B. The license shall remain in effect during the license term for as long as the property owner and business owner or operator remain in compliance with the approved license. Licenses granted directly to business owners or operators shall terminate when the business permanently closes, changes ownership or is abandoned. In no case shall such a license be transferred or assigned to a different party, location, or business operator. Licenses granted to property owners may be transferred to a new entity upon the express written consent of the city, upon documentation of the sale or transfer of the property. New property owners with existing outdoor cafes and widened sidewalk per section 14.070.060 (B) are required to either:

1. Receive transfer of an outdoor café permit, pay any applicable fees, and provide proof of insurance within thirty (30) calendar days of new ownership, or

2. Remove the widened sidewalk and restore the parking spaces at the property owner's sole cost and expense, including receipt of all required approvals and payment of all applicable fees required to perform such work.

### 14.70.135 Annual fee for use of parking spaces converted to widened sidewalk.

If a license authorizes the use of the public right-of-way as an outdoor café and the area utilized for the operation of the outdoor café includes area that contained metered parking space(s) converted to widened sidewalk then upon approval and prior to issuance of the license, the licensee(s) shall pay an annual fee for the loss of the parking space(s) in an amount established by resolution of the city council. Payment of the annual fee shall be required for as long as the applicable parking space(s) remain converted as a widened sidewalk. Change of ownership of the license shall constitute a new application and is subject to a new license fee.

#### **14.70.140** Revocation of license to operate an outdoor café in the public right-of-way.

A. Grounds for Revocation. The director may revoke a license authorizing the operation of an outdoor café in the public right-of-way if the director has found that: (i) the business owner or operator is selling food or beverages within the public right-of-way contrary to the terms and conditions of the license or is in violation of any other state or city law or regulation applicable thereto; (ii) the business owner or operator has been served with a notice by the director advising them of the violation and requiring correction thereof within a reasonable time as set forth therein; and (iii) the business owner or operator has not corrected the violation within the time set forth in such notice. However, the director may revoke a license without first serving the business owner or operator has been served with a notice of the violation by the director with notice of the violation in the manner provided herein in any case in which the business owner or operator has been served with two other notices of violation by the director within the preceding 12-month period.

B. Notice of Revocation. When the director determines to revoke a license authorizing the operation of an outdoor café in the public right-of-way, the director shall cause a notice of the revocation to be served on the business owner or operator. In such notice the director shall state the reasons for the determination to revoke the license and shall set forth the right of the person to whom the license was issued to appeal such determination to the city council in the manner provided for by <u>Title 2</u> of this code.

#### **14.70.150** Effect of license on permittees and franchisees.

The licensee of an outdoor café operated in the public right-of-way shall have the exclusive right to use the public right-of-way which is the subject of the license. The director shall serve each person having been issued a permit pursuant to Chapter 14.60 entitled "Use of City Streets and Sidewalks for Sales of Food, Beverages or Merchandise and/or Rentals of Equipment or Other Things" with a notice advising such permittee of the issuance of an outdoor café license and of the terms and conditions thereof. Thereafter, no person having been issued such a permit shall engage in the sale of food or beverages on and from the public right-of-way in that area subject to a license to operate an outdoor café when the area is being used by licensee.

#### 14.70.160 Compliance by licensees with other city laws and regulations.

Issuance of a license authorizing the operation of an outdoor café in the public right- of-way in the manner provided by this chapter shall not relieve the business owner or operator from complying with the provisions of Chapter 3.32 of this code, which prohibit the transacting of any business in the city without procuring the license and paying the business license tax provided for therein, the provisions of Chapter 5.38 of this code which prohibit the operation of a food facility within the city without a food facility license issued by the health office, or any other applicable state or city law or regulation.

#### **14.70.165** Surrender and Restoration.

A. Upon termination or expiration of the license, licensee, at its sole cost and expense shall cause to be removed all improvements and personal property placed in the public right-of-way, restore the public right-of-way to its approximate original condition to the satisfaction of the director, and cease any further use of the public right-of-way. If the licensee has widened any sidewalk for the operation of an outdoor café, the licensee is required to continue paying annual parking space removal fees or restore the parking that was previously removed at its sole cost and expense. Should licensee fail or neglect to restore the public right-of-way to a condition satisfactory to the city, then the city may perform any and all work necessary to restore the public right-of-way to its original condition and licensee shall immediately reimburse the city for any and all direct and indirect costs associated with the work upon written demand by the city. The costs of the work shall be a lien against the property.

B. At the discretion of the director, the licensee may be required to place a security deposit on account with the city to reimburse the city for the cost of any staff time and city resources utilized in conjunction with cleaning and/or restoring the public right-of-way upon termination or surrender of the license and failure to pay the annual parking space removal fee or otherwise return the public right-of-way to its original condition. If all the deposit is not exhausted by the city upon completion of restoration, the remaining balance of the deposit shall be refunded without interest.

#### 14.70.170 Violations.

Any violations of the provisions of this chapter, including any violations of the terms and conditions of a license issued pursuant to this chapter, shall be an infraction punishable by a fine in the amount provided for by Section 1505 of the City Charter. Any outdoor café conducted or maintained contrary to the provisions of this chapter shall also be, and the same is hereby declared to be, unlawful and a public nuisance, and the city attorney may, in addition to, or in lieu of prosecuting a criminal action hereunder, commence an action or actions, proceeding or proceedings, for the abatement, removal and enjoinment thereof, in the manner provided by law. Such remedies shall be in addition to any other judicial and administrative penalties and remedies available to the city.

**SECTION 2.** The proposed amendments to the Municipal Code Chapter 14 has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the state CEQA Guidelines, and the environmental regulations of the City. Specifically, the proposed amendment has been determined to be categorically exempt per CEQA Guidelines Section 15061(b)(2) and CEQA Guidelines Section 15301(c) (Existing Facilities) because the actions are limited to permitting, leasing, and minor alteration of existing public facilities within the right of way. The amendments do not create a new use of the right of way and impacts to the public right-of-way are negligible.

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SECTION 3. If any provision or subsection of this Ordinance or application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or subsections or applications of the Ordinance which can be given effect without the invalid provision or subsection or application, and to this end the provisions of this Ordinance are severable.

SECTION 4. The Ordinance shall be effective 30 days after adoption by the City Council.

SECTION 5. Certification. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted in the manner required by law.

THE FOREGOING ORDINANCE was adopted at a meeting of the City Council of the City of Chico on April 4, 2023 , by the following vote:

AYES: Bennett, Morgan, Tandon, Van Overbeek, Winslow, Coolidge

NOES: None

ABSENT: Reynolds

**ABSTAIN: None** 

DISQUALIFIED: None

Hasson

Deborah R. Presson City Clerk

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APPROVED AS TO FORM:

Vincent C. Ewing, City Attorney\*

\*Pursuant to the Charter of the City of Chico Section 906(e)