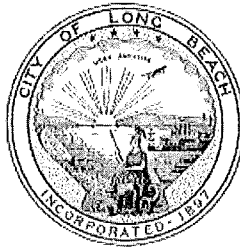


City of Long Beach
Many Unique Neighborhoods
One Great City



Dr. Suja Lowenthal
Councilmember

Memorandum

To: Mayor and City Council

August 13, 2013

From: Suja Lowenthal, Second District

Subject: Downtown Dining and Entertainment District

REQUESTED ACTION:

Request the City Attorney draft an interim ordinance that caps the number of Entertainment Permits in the Downtown Dining and Entertainment District (known as the "District") at its current level of active permits and prohibits businesses without a fully operating kitchen from applying for a permit for a period of up to one-year from the passage of the ordinance.

Request the City Manager conduct a one-year evaluation with regularly scheduled stakeholder workshops to address topics relating to the District, including but not limited to:

- Evaluation of Conditions of Operations and Tiered Regulations as the best means for ensuring the original tenets of the District formation, as follows:
 - Competitive parity between Pine Avenue, the Pike and Shoreline Village
 - Support residential development
 - Balance between retail and restaurant uses
 - Noise impacts
 - Automobile gridlock
- Expansion of District borders
- Consideration of distinct districts such as Dining, Entertainment, and Retail
- Survey of cities with entertainment areas and/or permitting processes to identify best practices for management and enforcement

BACKGROUND INFORMATION:

The Downtown Dining and Entertainment District Pilot Program was established in 2005/06 to develop consistent hours and operating conditions for businesses requiring an entertainment permit. The program's guiding principles were to establish competitive parity between Pine Avenue, the Pike and Shoreline Village; support residential development; strike a balance between retail and restaurant uses; address noise impacts and automobile gridlock. The pilot program set conditions to promote a safe environment benefiting visitors, retail and entertainment venues, while ensuring quality of life for residents who might be impacted by the enhanced hours and operating conditions.

In December 2008, the Downtown Dining and Entertainment District was established on a permanent basis with a set of seventeen, now nineteen, Conditions of Operation and three Tiered Conditions for progressively more stringent regulation of entertainment and related activities. The District consists of the area bounded by Ocean Boulevard, Third Street, Pacific Avenue, Long Beach Boulevard, and the areas known as the Pike at Rainbow Harbor and Shoreline Village. Hotels and retail stores providing entertainment within these boundaries are excluded from Downtown Dining & Entertainment District requirements.

DISCUSSION:

The purpose of the interim ordinance is to pause the permit system, review present conditions and market forces, then consider how the Downtown Dining and Entertainment District should evolve over the next 20 years.

Successful downtowns occur with continual monitoring and adjustments to regulations. For example, the Third Street Promenade is largely successful because of the significant number of modifications made to control the permitted uses. Beginning in the late 80's, regulations were adopted to prohibit movie theaters anywhere in the City except the Promenade. After several years, the Promenade had a concentration of nightclubs and new restrictions were adopted. Following that, restaurants were the predominant use and the City enacted limitations on the number of restaurants. Only after fifteen years of constant changes to the types of permitted uses, did the Promenade become the success it is today.

In the name of growth and prosperity in our Downtown, we have encouraged construction of mixed-use development within the District. Reaching a critical mass of residents in the Downtown is crucial for sustaining a healthy and diverse retail, dining and entertainment economy. However, there are unintended consequences now confronting our District that should be discussed among stakeholders interested in its long-term economic health. Those include the squeezing out of retail business in favor of nightclubs and restaurants capable of paying higher market lease rates; the strain on law enforcement resources by a growing entertainment-centric segment motivated to pay those lease rates; and the negative impact of bass sound from increasingly sophisticated sound systems on nearby residents.

My staff and I have conducted meetings with businesses and residents over the last five years, mainly focused on the negative impacts of bass sound and to a lesser extent the belligerent behavior of patrons exiting from entertainment venues. Very often, bass sound is the source of complaints by residents, but does not qualify as a violation of our Noise Ordinance (Municipal Code Section 8.80). This gap between what is a violation and a nuisance deserves greater attention by City Council and staff. Unfortunately, our Entertainment Permit process and conditions are reactionary rather than proactive in reducing nuisances, putting police, city staff, residents and Council offices at odds with our businesses.

The City of San Diego does not employ Entertainment Permits in their Gaslamp Quarter District, choosing instead to rely upon Conditional Use Permits (CUP) to control establishments providing live music, entertainment and/or dancing. According to establishment owners and PBID representatives, the CUP process allows for greater evaluation of anticipated impacts from entertainment and the placement of conditions prior to owners making significant investments to the interior and exterior of their business.

We must be cognizant of the impact of increased entertainment to our police force in Downtown. Our South Division was recently folded into our West Division due to budget cuts, leaving less personnel to cover a larger area that includes the District, where as many as 5,000 intoxicated individuals pour out onto the streets at the same time. In many cases, entertainment venues use promoters to recruit nightclub patrons well outside of Long Beach, which brings a diverse mix of people to our Downtown, sometimes with volatile outcomes. Increased entertainment requires more police presence in the Downtown, which due to time of need (2:00 am) and personnel available can result in the use of overtime. A better balance of retail, dining and entertainment would contribute to a safer Downtown.

Beyond the issue of enforcement, there is the overall direction and economic health of Pine Avenue and other segments of the District. Retail business is virtually gone from the core of the District and likely not to return, so long as landlords can demand such high per square foot lease rates of entertainment venues. Perhaps this free market phenomenon is the District's fate, but before it gets too far from its original guiding principles, I recommend stakeholders discuss the District's future in relationship to other evolving segments of Downtown Long Beach such as the Pike, City Place, East Village and North Pine.

With our convention and visitors segment gaining more momentum every month and our residential development activity increasing as well, all the Downtown needs is one significant incident to cast a shadow over its increasingly bright economic future.

FISCAL IMPACT:

There is no anticipated fiscal impact since these tasks will be carried out during the normal course of City business.