

## STAFF REPORT

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**Date:** July 27, 2022

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** Presentation, discussion, and potential direction to staff on ReIgnite Reno initiatives and the termination of the State's Declaration of Emergency related to COVID-19.

**From:** Lance Ferrato, Business License Manager

**Department:** City Manager's - Business License

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**Summary:** On May 20, 2022, Governor Sisolak signed a proclamation terminating the State's Declaration of Emergency related to COVID-19. As a result, City-implemented relief measures also came to a close. Council is asked to review this report and provide direction to staff regarding possible continuance of temporary exemptions and/or permanent changes relative to the temporary implementations made during the State of Emergency.

**Alignment with Strategic Plan:** Economic and Community Development

**Previous Council Action:** January 27, 2021 – Council approved a program to ease business licensees' financial obligations. Program options included fee reductions, extensions, and payment plan opportunities. Applications to receive relief were accepted until June 30, 2021.

April 8, 2020 – Council approved a program to defer and reduce business license fees for up to 90 days after the termination of the Governor's closure order for businesses types identified as non-essential.

**Background:** Multiple relief measures and legal exemptions were implemented to assist businesses during the state of emergency. While some were directly financial, other items were meant to facilitate business activity during periods of business closure, social distancing requirements, and other gathering restrictions. Council is asked to provide direction on the possible continuance of temporary exemptions and/or permanent changes to assist in the transition back to non-emergency operations.

**Discussion:** The most recent relief package offered to businesses licensed by the City included fee reductions, extensions, and payment plan opportunities. Licensees were informed of said opportunities via email, website postings, and through direct contact with City staff.

Requests for relief were required to be submitted by June 30, 2021; however, staff reviewed additional requests on a case-by-case basis. In total, 183 requests for relief were received, of which 164 (90 percent) were approved. Ten bars received a 50 percent reduction on their package alcohol license fees as a result of the City allowing on-premises alcohol license holders to sell package products that they were not licensed for. 15 businesses requested and were approved to pay fees in installments, all of which paid their full balance well in advance of the deadline. Lastly, 45 restaurants/bars registered with the City and were allowed to sell “to-go” alcoholic beverages.

The relief package also allowed for outdoor operations, including outdoor dining and retail in parking lots and on public sidewalks. The allowance for outdoor dining was critical to keeping many bars and restaurants in business during the social distancing requirements. In the Midtown and Downtown area, there were approximately 26 restaurants/bars that utilized the outdoor operation exemptions and opened outdoor seating. Now that the exemptions have been lifted, any business with outdoor dining is required to apply for an Outdoor Dining Permit with a one-time fee of \$576. If the outdoor dining is within the sidewalk or any portion of right-of-way, they also have to submit a Revocable Occupancy Permit and pay a one-time Encroachment Permit fee of \$158, plus an annual fee. The annual fee is based on how much square footage is occupied and is charged at a rate of \$2.37/square foot. These fees tend to range between \$474-\$711, per

business annually.

The table attached (Exhibit A) details the full list of exemptions that were granted and what licensees must do to gain compliance if they so choose to continue operating in that manner.

**Considerations:** Should Council wish to allow certain activities to continue, one option is to reduce or waive fees associated with outdoor dining. Businesses would still need to submit the Outdoor Dining Permit application, along with the associated Encroachment Permit and Revocable Occupancy Permit, but the City could reduce or waive the fees for Fiscal Year 2023. Prior to COVID, the City averaged one-three new Outdoor Dining Permits per year. Post COVID, outdoor dining has significantly increased and is anticipated to remain popular among many of the bars and restaurants. If Council chooses to reduce or waive Outdoor Dining Permit fees, or any other fees outlined in this staff report, a resolution will need to be brought back to Council for approval.

**Financial Implications:** Temporarily reducing or waving fees will generate less revenue to the City and can be evaluated on an annual basis to determine if the fee waiver should be continued.

**Legal Implications:** Legal review completed for compliance with City procedures and Nevada law.

**Recommendation:** Staff recommends Council continue with the temporary waiver of fees through the Fiscal Year 2023 associated with Outdoor Dining and Encroachment Permits, as was made during the statewide COVID-19 State of Emergency, and direct staff to prepare a Resolution.

**Proposed Motion:** I move to approve staff recommendation.

**Attachments:**

Exhibit A - ReIgnite Reno Exemptions