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November 12, 2024

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street Room 202
Honolulu, Hawai'i 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Report Relating to the Outdoor Dining Pilot Program

Pursuant to the Revised Ordinances of Honolulu 2021, §13-20.3, the attached report is submitted as required relating to Outdoor Dining.

Should you have any questions, please contact me at 768-6638 or amy.asselbaye@honolulu.gov.

Sincerely,

Digitally signed by Asselbaye, Amy
Date: 2024.11.12 16:38:03 -10'00'

Amy Asselbaye,
Executive Director
Office of Economic Revitalization

Attachment

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director



OUTDOOR DINING SERVICES PROGRAM

REPORT TO THE HONOLULU CITY COUNCIL

CITY & COUNTY OF HONOLULU
OER
Office of Economic Revitalization

CITY AND COUNTY OF HONOLULU
STATE OF HAWAII

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OUTDOOR DINING HAS BECOME A STAPLE IN MANY COMMUNITIES, ESPECIALLY IN URBAN AREAS WHERE SPACE IS A PREMIUM, AND SOCIAL LIFE THRIVES. BEYOND ITS AESTHETIC APPEAL, OUTDOOR DINING OFFERS SUBSTANTIAL BENEFITS TO COMMUNITIES, LOCAL ECONOMIES, AND INDIVIDUAL WELL-BEING.

Community Building and Social Interaction

Outdoor dining fosters a sense of community. It transforms streets, sidewalks, and plazas into vibrant social spaces where people can gather, interact, and connect. This public visibility of dining spaces encourages social interactions among diverse groups, breaking down barriers and fostering a sense of belonging. Such communal spaces are crucial for social cohesion and community engagement, as they provide a venue for casual meetings and organized events alike.

Community Engagement and Resilience

Outdoor dining strengthens community resilience by fostering a sense of shared public space and responsibility. When communities are engaged and invested in their public spaces, they are more likely to look out for one another and collaborate on safety initiatives. Outdoor dining encourages residents to take an active role in their neighborhoods, which can lead to the development of community-led safety programs and initiatives.

Enhanced Street Surveillance and Crime Reduction

Outdoor dining can contribute to crime reduction and enhance street safety through increased natural surveillance. When sidewalks and public spaces are populated with diners and restaurant staff, it creates a more active street presence. This activity acts as a deterrent to criminal behavior, as potential offenders are less likely to commit crimes in well-observed areas. The presence of people dining outdoors also enhances the overall perception of safety, encourages more foot traffic, and further deters crime.

Economic Boost and Support for Local Businesses

The economic benefits of outdoor dining are significant. Restaurants with outdoor seating options can accommodate more patrons, increase its revenue potential and create the opportunity to expand staff. This is especially vital for small, local businesses that rely on high customer turnover to be successful. Moreover, outdoor dining can attract tourists and visitors, who may be familiar with such dining options from their home residences, boosting the local economy. The presence of lively, bustling dining areas can enhance the attractiveness of a neighborhood, encouraging foot traffic that benefits nearby shops and services.

Health and Well-being

Outdoor dining contributes to physical and mental well-being. Fresh air and natural light can enhance the dining experience, making it more enjoyable and beneficial for patrons. Exposure to outdoor environments has been linked to improved mood, reduced stress levels, and increased feelings of relaxation.

Additionally, the opportunity to dine outdoors provides a safer alternative during health crises where indoor gatherings pose higher risks of transmission. One of the most prominent public safety benefits of outdoor dining is its role in mitigating the spread of infectious diseases. During the COVID-19 pandemic, outdoor dining became a safer alternative to indoor dining due to better ventilation and the ability to maintain social distance more effectively. This setup reduces the concentration of airborne pathogens, thereby lowering the risk of transmission. Continuing to offer outdoor dining options can help manage future public health crises by providing safer dining environments.

Outdoor dining is a valuable asset to communities for its role in fostering social interaction and engagement, supporting local economies, and enhancing well-being. It is for these reasons, the Honolulu City Council passed Ordinance 22-19 in July 2022 creating a two-year pilot program allowing “restaurants the use of certain city properties for dining and take-out operations.”[1]

https://hnldoc.ehawaii.gov/hnldoc/document-download?id=14731

1



Program Administration

The Outdoor Dining Pilot Program was a joint effort between the Departments of Transportation and Planning and Permitting, the Honolulu Liquor Commission, supported by the Office of Economic Revitalization, and in collaboration with the State Department of Health Food Safety Branch.
On October 7, 2022, an informational webinar was conducted to provide program details and answer questions ahead of the applications becoming available on October 10, 2022.
Permit fees were $50 for a period of no more than six months.

Process

- Download application from the Department of Transportation website (https://www8.honolulu.gov/dts/outdoor-dining/)
- Submit application with $50 application fee, floor plan, food permit, and proof of insurance to the Street Usage Office (SUO).
- SUO issues permit.
- Permittee notifies Department of Planning and Permitting (DPP)
- Permittee notifies DOH Food Safety Branch
- Permittee seeks permission from Liquor Commission (LC)
- LC notifies DPP
- DPP conducts preliminary inspection within xx hours of notification and monitors permittees.



Program Participation

Fifteen permittees representing sixteen businesses participated in the program.

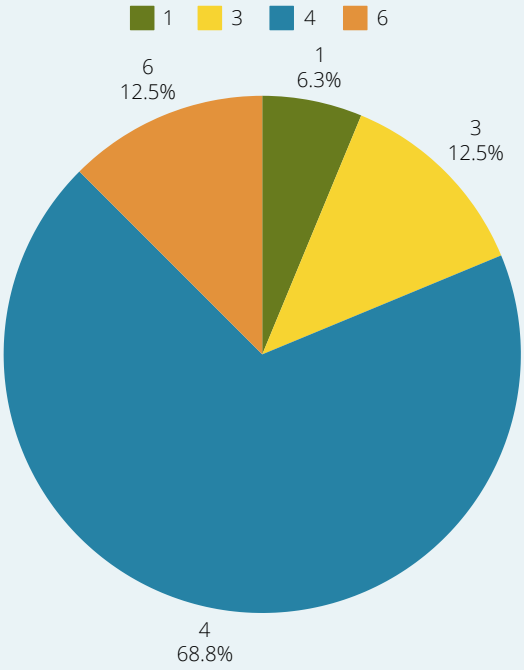
Street Use Permits

Licensee Name	Trade Name/dba	Council District
ALOHA TEPPANYAKI	ALOHA TEPPANYAKI 2 GO	4
AROMA CAFFE INC.	AROMA CAFFE INC.	4
BEAN ABOUT TOWN	BEAN ABOUT TOWN	4
IL GELATO	IL GELATO	4
JSOK	ALOHA MELT	4
JSOK	TOPPED WAIKIKI	4
KONO'S RESTAURANT, LLC	THE SURFING PIG	4
LANIKAI BREWING COMPANY LLC	LANIKAI BREWING COMPANY LLC	3
LIFTED SPIRITS CORPORATION	LIFTED SPIRITS	3
LITTLE ITALY	LITTLE ITALY	4
MAGOO'S PIZZA & BAR LLC	MAGOO'S PIZZA & BAR	4
MONSARRAT PLANNING LLC	PIONEER SALOON	6
RMCB RESTAURANT LLC	FETE	6
SATO SEAFOOD	SATO SEAFOOD	4
SHOREFYRE, INC.	SHOREFYRE	4
SUMSUM HAWAII INC.	SUMSUM HAWAII INC.	4

Liquor Permits (as of June 18, 2024)

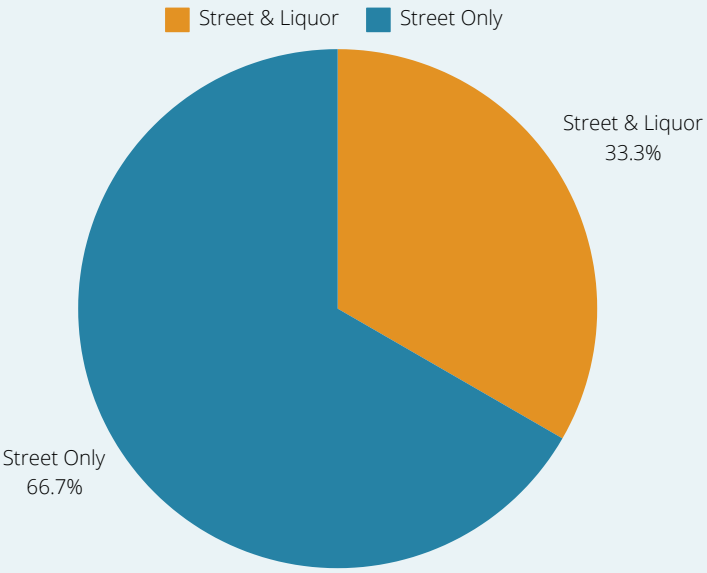
Licensee Name	Trade Name/dba	Council District
AROMA CAFFE INC.	AROMA CAFFE INC.	4
KONO'S RESTAURANT, LLC	THE SURFING PIG	4
LANIKAI BREWING COMPANY LLC	LANIKAI BREWING COMPANY LLC	3
LIFTED SPIRITS CORPORATION	LIFTED SPIRITS	3
MAGOO'S PIZZA & BAR LLC	MAGOO'S PIZZA & BAR	4
MONSARRAT PLANNING LLC	PIONEER SALOON	6
RMCB RESTAURANT LLC	FETE	6
SHOREFYRE, INC.	SHOREFYRE	4

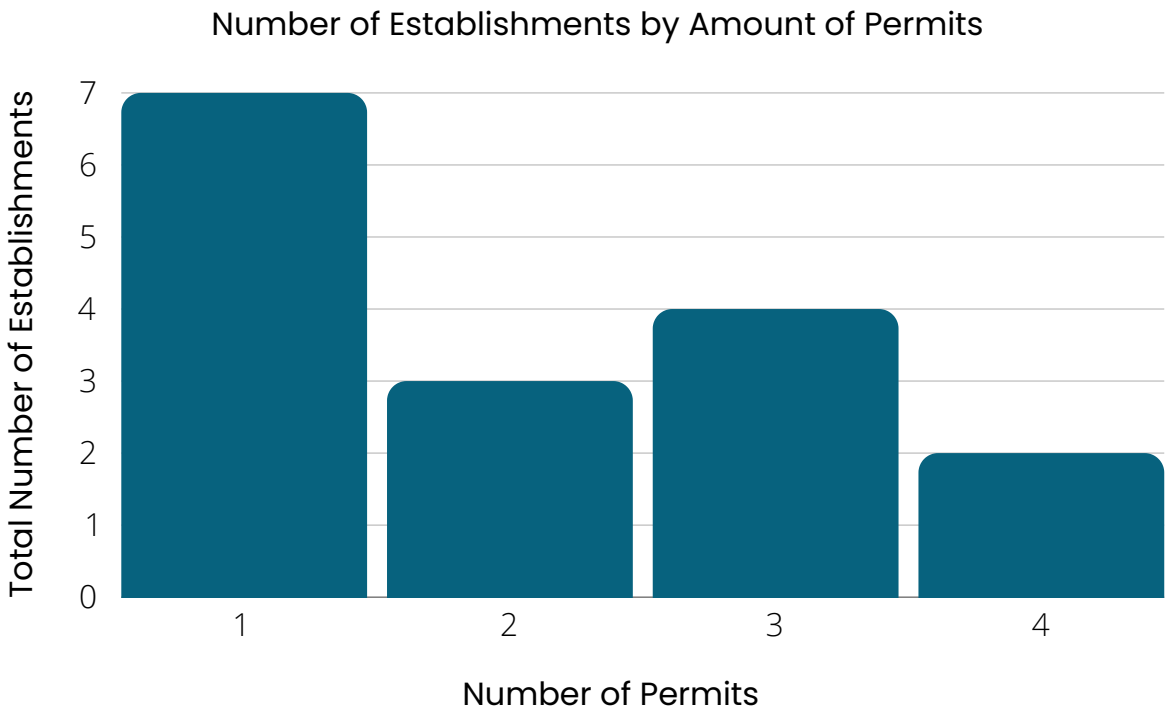
Number of Establishments by Council District





Eight permittees obtained both street and liquor permits.





An assessment of the success of the outdoor dining services program, including identification of the criteria used to measure success and the impact of the program on the local economy.

The Office of Economic Revitalization conducted door-to-door, phone and email solicitations of every establishment requesting completion of an online survey with the following questions:

1.How has your business benefitted from the program? Please describe.
2.Have you had any unexpected challenges due to adding an outdoor dining space?
3.Was it difficult to enroll in the program?
4.Were the permit fees reasonable or cost-prohibitive?
5.Were there challenges to implementing the program in accordance with the rules? If yes, please describe.
6.Would you like the program to continue?
7.Please share any feedback you have about the permitting process for participating in the City Outdoor Dining Program.

We received only three completed surveys which are included in the appendix.



DURING OUR OUTREACH, WE LEARNED THAT THE HAWAII RESTAURANT ASSOCIATION WAS ALSO CONDUCTING ITS OWN SURVEY SO WE MET TO RECEIVE FEEDBACK. THEY SHARED THE FOLLOWING.

Benefits

- Reduced trash and cleaner areas
- Increased footprints provided increased revenue
- Created promotional activity in the area
- Process was complimented
- 5-35% increase in revenue

Challenges

- Fairness. There are ADA issues where sidewalks are narrow and there are planters that can make one business eligible and a business next door not eligible.

Observations

- In Kaimuki, they are starting to see homeless use the parklets. HRA suggests looking into the types of parklets in New York City that have doors to keep people out when not in use.
- Bring Your Own Beverages might become an issue if allowed at establishments without a liquor license. Will need to consider liability.

Industry Trends

- With rent and common area maintenance fees on the rise, many restaurants are finding it difficult to afford street-front spaces. Restaurants that are able to afford street front are more fine dining restaurants that are not interested in outdoor dining.

An analysis of the method of implementing the outdoor dining services program, the cost of the program, and the number of permits issued.

No complaints were received from community members about this program. While they felt the fees were not cost-prohibitive, permittees were frustrated with the short period of each permit and the need to reapply so frequently. Details on the permits are included in the Program Participation section above. We anticipate that changes to Americans with Disability Act space requirements will be a challenge for many given the current width of sidewalks.

Recommendations for retention, termination or modification of the program

a. Make the permit fee annual and not semi-annual. This will reduce staff time on behalf of both the City and the permittee.
b. Align insurance requirements with fiscal year and pro-rate the fee if applying with less than one full year remaining in the fiscal year.



Appendix A: Flow Chart

The flowchart shows the step-by-step process for obtaining an outdoor dining permit, including:

1. Downloading and completing the application
2. Submitting to the Street Usage Office (SUO)
3. SUO confirming information and issuing the permit
4. Scheduling inspections with the Department of Planning and Permitting (DPP)
5. Obtaining Liquor Commission approval (if applicable)
6. Notifying the Department of Health Food Safety Branch
7. Submitting required documents and fees

Appendix B: Frequently Asked Questions

1. Who's allowed to do outdoor dining under the Outdoor Dining Pilot Program? Generally, restaurants and other food and beverage services that are on the ground floor and abut City property, such as a sidewalk. Minimum clearance requirements and other conditions and restrictions must be met. Available front yard space on private property must be used before using City property.
2. Do I need a permit? Yes; you will need to fill out an application form and satisfy the requirements listed in the form; there is a $50.00 application fee (cash or check). You must also comply with: (1) your State Department of Health food establishment permit, if selling liquor, (2) your Honolulu Liquor Commission permit, and (3) any State Department of Health directives related to COVID-19 social/physical distancing or any requirements that may be in effect as declared in any emergency proclamations, orders, or rules in response to any global pandemic or health emergency.
3. What do I have to do to serve food outdoors on City property? Notify the State Department of Health, Food Safety Branch at (808) 586-8000 of your business' expanded dining area on City property.
4. My restaurant serves alcoholic beverages, can I do that outdoors? Yes, if you obtain approval from the Honolulu Liquor Commission at (808) 768-7323 (email: HLC@honolulu.gov) and comply with the terms of your liquor license. Alcohol sales are prohibited in pedestrian malls, parks, and playgrounds.
5. Can I do outdoor dining in a private parking lot? You should consult with your property manager. You must maintain parking stalls required under zoning regulations and the line of sight for traffic safety.
6. Can I have live music outdoors? No.
7. I own a retail store, will I be allowed to do outdoor sales? No, the Outdoor Dining Pilot Program is for outdoor dining only.
8. Do the rules apply to restaurants and other food services along pedestrian malls, such as Fort Street Mall? Yes, as long as requirements including pedestrian right of way and all applicable Americans with Disabilities Act requirements are met. See Outdoor Dining Pilot Program General Guidelines, Conditions, and Restrictions for further requirements.
9. Can I use the parking stall fronting my restaurant or other food services for outdoor dining, similar to "parklets?" Parklets have their own set of requirements. For more information, contact (808) 768-8329.
10. If the public has any complaints regarding outdoor dining services being provided by a restaurant, who can they call? Complaints or violations can be reported to the Commercial Enforcement Branch of the Department of Planning and Permitting at (808) 768-8152.

Appendix C: General Guidelines, Conditions and Restrictions

1. Location:
   - The business must be on the ground floor.
   - The business must abut City property.
   - The sidewalk dining area must be paved.
   - The business must first use its outdoor space, if available, before using City property.
2. Allowable Times of Operation:
   - Furniture may only be used during the business hours of operation listed on the form.
   - Furniture may be placed one hour before and removed one hour after the posted hours of operations.
   - Furniture may not be stored on City property when not in use.
   - There is no usage of City property between 11:00 p.m. and 7:00 a.m.
   - With 24 hours' notice, the business must vacate City property for regular City maintenance activities or permitted construction. In case of emergencies, there may be no notice.
3. Allowable Furniture and Equipment:
   - All furniture shall not be affixed to the outdoor dining area, but should be stable and wind-resistant to prevent accidental tipping, including: a. Tables and seating b. Stands featuring menus and prices c. Trash receptacles d. Supplemental lighting e. Temporary railings, stanchions, or dividers f. Umbrella and awnings
4. Conditions and Restrictions:
   - Dining areas must comply with all applicable Americans with Disabilities Act requirements.
   - The business shall comply with all requirements of its State Department of Health Food Establishment Permit.
   - No smoking is permitted within the outdoor dining area.
   - Liquor sales may be allowed under the business' existing liquor license and applicable laws, with approval from the Honolulu Liquor Commission.
   - Dining services must be in compliance with any State Department of Health directives related to global pandemics or health emergencies.
   - Specific clearance and placement requirements for furniture on sidewalks, pedestrian malls, parks, and playgrounds.
   - Additional conditions related to rubbish collection, pavement protection, and music restrictions.
5. Complaints, Enforcement, Revocation, and Surrender:
   - Complaints or violations may be reported to the Commercial Enforcement Branch of the Department of Planning and Permitting.
   - The Department of Planning and Permitting will work with businesses to achieve compliance before considering permit revocation.
   - Upon revocation, the business agrees to surrender the permit and restore the City property to its original state.



Appendix D: Application/Permit for Outdoor Dining

1. The Application/Permit for Outdoor Dining includes the following key sections:
2. Business Information (Name, Address, Phone, Hours of Operation)
3. Point of Contact Information
4. Attestation and Agreement (9 points that the applicant must initial and agree to)
5. Required Submittals:
6. Permit Fee: $50.00 (cash or check)
7. Picture of the street view of the business location
8. Floor plan of the dining area with specific details
9. Copy of the Department of Health food establishment permit and placard
10. Copy of the Liquor Commission license and approval (if applicable)
11. Insurance binders naming the City and County of Honolulu as an additional insured

Appendix E: Survey Responses

The following are the responses from three businesses participating in the Outdoor Dining Pilot Program:

1. Fete - RMCB restaurant LLC

- Contact: Chuck Bussler (Owner)
- Benefits:
  - Increased revenue by about $400,000
  - Hired 3 additional full-time employees
  - Increased presence on the sidewalk and streets of Chinatown
- Challenges: Expected challenges with homeless population
- Enrollment Difficulty: No
- Permit Fees: Reasonable
- Implementation Challenges: No
- Continue Program: Yes
- Feedback:
  - Slight tweaks in information presentation required for resubmissions
  - Conflicts between Certificate of Insurance (COI) requirements and permit expirations

2. Kono's Restaurant, LLC / dba The Surfing Pig Hawaii

- Contact: Stan Glander (Owner)
- Benefits:
  - Increase in revenue
  - Al fresco dining as a draw for customers
  - Marketing opportunity with visible outdoor dining
- Challenges: Aggressive homeless people approaching customers
- Enrollment Difficulty: No
- Permit Fees: Reasonable
- Implementation Challenges: No
- Continue Program: Yes
- Feedback: Suggests modifying some streets to allow more cafe-style al fresco dining to attract more local and non-local dining

3. Lifted Spirits

- Contact: Kebra Murphy (Manager)
- Benefits:
  - New business still growing
  - Customers enjoy sitting outside in beautiful weather
- Challenges: None reported
- Enrollment Difficulty: No
- Permit Fees: Reasonable
- Implementation Challenges: No
- Continue Program: Yes
- Feedback: Process was very easy

Summary of Survey Results:

- All three businesses reported benefits from the program, including increased revenue and customer satisfaction.
- One out of three businesses reported no unexpected challenges, while two faced issues with homeless individuals.
- All businesses found the enrollment process easy and the permit fees reasonable.
- None of the businesses reported challenges in implementing the program according to the rules.
- All three businesses would like to see the program continued.
- Feedback suggests streamlining the renewal process and considering street modifications to further support outdoor dining.