

August 7, 2007

Honorable Mayor and Members of  
the Hermosa Beach City Council

Regular Meeting of  
August 14, 2007

**CONSIDERATION OF INCREASE IN ENCROACHMENT FEES FOR PLAZA  
BUSINESSES OPEN AFTER MIDNIGHT**

**RECOMMENDATION:**

It is recommended that the City Council consider increasing encroachment fees for businesses located on the Plaza that are open after midnight.

**BACKGROUND:**

As the City Council was considering a proposal to increase the business license tax at the meeting of July 24, 2007, staff was asked to return with a proposal to increase encroachment fees on the Plaza for businesses who are open after midnight.

**ANALYSIS:**

The attached schedules show the current fee of \$2.00 per square foot and increases to \$3.00, \$4.00 and \$5.00 per square foot for businesses open after midnight. For reference, other businesses that have encroachments are also shown at the bottom of the schedule, with notations regarding their hours of operation.

A fee increase of \$3.00 would be a 50% increase and would generate an additional \$44,724; \$4.00 would be a 100% increase and generate \$89,448; \$5.00 would be a 150% increase and generate \$134,172.

Respectfully submitted,



Viki Copeland  
Finance Director



Stephen Burrell  
City Manager

**INCREASE OF ENCRoACHMENT FEES  
BUSINESSES ON PLAZA OPEN AFTER MIDNIGHT**

BUSINESS NAME	SQUARE FT.	AMOUNT PAID PER YEAR @ \$2/sq. ft		AMOUNT PAID PER YEAR @ \$3/sq. ft		AMOUNT PAID PER YEAR @ \$4/sq. ft		AMOUNT PAID PER YEAR @ \$5/sq. ft		% CHG	% CHG
		PER YEAR	DIFFERENCE PER YEAR @ \$2/sq. ft	PER YEAR	DIFFERENCE PER YEAR @ \$3/sq. ft	PER YEAR	DIFFERENCE PER YEAR @ \$4/sq. ft	PER YEAR	DIFFERENCE PER YEAR @ \$5/sq. ft		
<b>OPEN AFTER MIDNIGHT</b>											
Aloha Sharkeez	390.00	9,360	4,680	14,040	4,680	18,720	9,360	23,400	14,040		
Dragon	316.00	7,584	3,792	11,376	3,792	15,168	7,584	18,960	11,376		
Fat Face Fenner's	200.00	4,800	2,400	7,200	2,400	9,600	4,800	12,000	7,200		
Hennessey's Tavern	975.00	23,400	11,700	35,100	11,700	46,800	23,400	58,500	35,100		
Il Boccaccio	247.00	5,928	2,964	8,892	2,964	11,856	5,928	14,820	8,892		
Patrick Malloy's	429.00	10,296	5,148	15,444	5,148	20,592	10,296	25,740	15,444		
Sangria	780.00	18,720	9,360	28,080	9,360	37,440	18,720	46,800	28,080		
The Lighthouse	390.00	9,360	4,680	14,040	4,680	18,720	9,360	23,400	14,040		
		<b>89,448</b>	<b>44,724</b>	<b>134,172</b>	<b>44,724</b>	<b>178,896</b>	<b>89,448</b>	<b>223,620</b>	<b>134,172</b>	<b>50%</b>	<b>100%</b>

**NOT OPEN AFTER MIDNIGHT**

Cantina Real	312.00	7,488									
Café Bonaparte	169.00	2,028 *									
Hermosa Fish Market	377.00	9,048									
Lappert's	208.00	2,496 *									
Loreto Plaza	292.20	7,013									
Mediterraneo	390.00	9,360									
Paradise Sushi	250.00	6,000									
Zeppy's Pizzeria	273.00	6,552									

\* Changed to \$1.00 per square foot 6/12/07

\*\* Hermosa Fish Market CUP 1983, grandfathered, no closing time  
Serves beer/wine, latest night is Friday/Saturday 10:30