



HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

MEMORANDUM

To: Village Council
Cc: Jeff Sanborn
From: Jeff Batton
Date: 1/5/22
Subject: Social Districts

HB 890, signed into law on September 10, 2021 makes several changes to the ABC laws in N.C. One change is to allow a local government having jurisdiction to establish "social districts."

A social district is a defined geographic area, such as the Village Center, where alcoholic beverages can be openly possessed and consumed if purchased from on-premise permittees within that district. Basically, patrons can purchase alcoholic beverages from a permittee's restaurant "to go" and then walk around the district consuming same.

There are several requirements for a social district such as signage around the perimeter of the district, the use of non-glass for service of alcohol for consumption within the district, and special labeling on the non-glass containers.

The purpose of this agenda item is to determine if Council has an interest in exploring the option of a social district within downtown.

Council members present during the 2014 Men's and Women's US Opens may recall a similar temporary measure passed to allow open containers within a specified and marked area of downtown.

To be clear, staff is not recommending the establishment of a social district but rather ensuring Council is aware that statutory authority has been granted to local governments to establish such if desired.

A check with Southern Pines and Aberdeen indicates they are not currently considering establishing social districts and staff recommendation would be to not implement one.

If Council were interested, staff would need to develop a recommended ordinance and recommended boundary map for Council's consideration.

ADMINISTRATION

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HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

MEMORANDUM

To: Village Council
Cc: Jeff Sanborn
From: Jeff Batton
Date: 1/5/22
Subject: Downtown On-Street Dining & Alcohol Service

For approximately eighteen (18) months, the Village has allowed Alcohol Beverage Control (ABC) on-premise permit holders (restaurants) to serve food and alcohol on property that is not part of the permittee's licensed premises. More specifically, we allowed restaurants to set up outdoor dining space on the public street adjacent to their business in the evening hours and all day on Sundays. This included service of alcoholic drinks in that outdoor space.

This was in accordance with temporary laws passed by the state legislature in response to the COVID epidemic. The intended purpose of the legislation was to help restaurants make up lost indoor seating capacity due to COVID social distancing requirements.

The temporary statute left the determination of whether to allow the extension of the ABC permit up to the local government having jurisdiction. Accordingly, Council took action to permit the use of the adjacent streets for such purposes under specific guidelines.

On July 30, 2021, all restrictions were lifted and restaurants were permitted to return to normal occupancy levels. On September 10, 2021, the Governor signed into law HB 890 to make several changes to the ABC Commission laws. One change was to allow the local government having jurisdiction the opportunity to make permanent the extension of ABC permits to property not part of the ABC permittee's premises. If this practice is continued, the legislation requires adoption of an ordinance.

Businesses that originally used the adjacent street for dining and alcohol service were Dugan's, Drum & Quill and Theos'. At this point, only Drum & Quill regularly sets up outdoor dining and Theos' is no longer in business.

With HB 890 specifying the need for an adopted ordinance in order to continue to allow ABC on-premise permit extension, Council needs to determine its desire related to this matter.

In consideration of ABC on-premise permit extension, Council has three options available:

1. Discontinue the extension of ABC on-premise permits and discontinue the use of the streets for purposes of serving food and alcoholic beverages (return to pre-COVID conditions).

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2. Approve an ordinance to allow extension of the ABC on-premise permit and to allow use of public property, i.e., the adjacent streets (continuation of current conditions).
3. Approve an ordinance to allow extension of ABC on-premise permits to other property, but not allow use of public property. This option may allow a permit holder to use adjacent private property with permission of the owner (hybrid of pre-COVID conditions and current condition).

Factors Council may wish to consider in deliberating these options are fairness to other businesses, legislative rules governing how the extended space can be used, competitiveness, safety, and aesthetics.

Fairness as a consideration recognizes a current imbalance in business utilization of public property. Under current conditions, ABC on-premise permittees may use the adjacent public street to conduct businesses while other retail shops may not. In addition, some restaurants, like Lisi, Villagio, and Villager Deli have selected locations and invested in spaces in order to have outdoor seating options without relying on public space.

The legislative rule that is noteworthy is that an ABC on-premise permittee may not use the extension into other space to increase the occupant load of the licensed premises. Consequently, if seating is added for on-street dining/alcohol service, an equal number must be reduced on-premise.

Competitiveness is a recognition that neighboring communities that allow the extension of ABC on-premise permits could gain a competitive advantage to lure a potential restaurant or bar. However, at this time neither Southern Pines nor Aberdeen are contemplating passing an ordinance to make permanent the ABC on-premise permit extension.

Lastly, safety and aesthetics are somewhat aligned. The manner in which on-street space is used for food and beverage service must be both highly visible for safety and meet the aesthetic expectations of our community. This would need special consideration to establish the appropriate guidelines if Council opts to make permanent the extension of ABC permits to the adjacent street.

Based on the totality of the factors, staff would recommend Council establish a reasonable date to sunset the ABC on-premise permittees' utilization of public property and return to pre-COVID conditions.

Follow-Up Action Items

Note: The following list is not in priority order

1. Role of Volunteers

Action Step: Outline volunteer engagement actions currently underway and identify potential future strategies

Assigned to: Administration/HR

2. Stormwater Master Plan timeline

Action Step: Provide Council with an updated timeline (once available) on elements of the Stormwater Master Plan
(Completed in December 2021)

Assigned to: Public Services

3. Fire Station 93 cost projection

Action Step: Provide Council with a cost projection on Fire Station 93 during the FY 2023 budget process. Chief Cole is in the process of finalizing a pre-planning template, which will provide architects with the necessary information to outline a preliminary facility size and cost estimate. The template, and subsequent cost estimate, is a free service.

Assigned to: Fire/Administration

4. Business survey question: # of employees per responding business

Action Step: Explore adding this question to the Annual Business Survey

Assigned to: Administration/OPD

5. Explore opportunities for Council to meet consultants after the selection process (for under \$50,000)

Action Step: This item will be discussed at a future work session

Assigned to: Administration

6. More clarity on the phrase “high-quality development and design”

Action Step: Provide an opportunity for community to clarify high-quality development and design through the Engage Pinehurst portal

Assigned to: Administration/Communications

7. Hear from Three Rivers Land Trust at an upcoming Council meeting

Action Step: Invite the Three Rivers Land Trust to an upcoming Council meeting (Completed)

Assigned to: Administration/Town Clerk

8. Further metrics/analysis on engagement and public communication options (ex: visits to the website)

Action Step: Provide Council with further analysis on community engagement tools used for communication via email

Assigned to: Communications

9. Understanding the role of the Moore County recycling campaign on our recycling numbers

Action Step: Public Services will continue to monitor Moore County's recycling campaign and will provide periodic updates to Council on how the campaign is impacting the Village's recycling numbers

Assigned to: Public Services

10. Potentially add library language to Goal 6 or add it as a new area altogether

Action Step: Explore adding language to Goal 6 or creating a new strategic objective that highlights the Tufts Archives and Given Memorial Library (*Completed*)

Assigned to: Administration/OPD/Library Services

11. Library Services KPI for the Balanced Scorecard

Action Step: Explore adding a key KPI (or more) to the Corporate Balanced Scorecard (*Completed*)

Assigned to: Administration/OPD/Library Services

12. Update on the Western Connector

Action Step: Update Council on plans for the Western Connector and its potential impact on traffic numbers within the Village in an upcoming work session

Assigned to: Planning and Inspections

13. Fund Balance education for Councilmembers

Action Step: Provide a brief explainer on the role and policies associated with the Village's fund balance at an upcoming work session

Assigned to: Finance

14. Better define the community survey question concerning "quality of neighborhood"

Action Step: Provide an opportunity for community input on neighborhood quality through the Engage Pinehurst portal

Assigned to: Communications

15. Overall appearance of the Village: Explore potential word changes. For instance, “public spaces across the Village.” Similar note: Adjust overall appearance of the Village to clearly define all of the Village

Action Step: Recommend changing the phrase “overall appearance of the Village” to “public spaces across the Village” in the Annual Community Survey for 2022

Assigned to: Administration/OPD

16. Confirm goal description for “# of collisions per 1,000 residents”

Action Step: Provide Council with the definition for the “# of collisions per 1,000 residents” KPI

Assigned to: Police/OPD

Downtown Parking Space Restriction(s) Evaluation

January 5, 2022

Introduction:

At the request of the previous Village Council, staff has delved into options related to the age-old question of how to increase downtown parking availability without necessarily increasing parking quantity. To that end, staff considered three basic options.

Options considered were:

1. Re-establish 2-hour timed parking restriction along certain streets.
2. Establish paid parking along certain streets.
3. Remain status quo recognizing a new parking deck is likely to be constructed that may, or may not, relieve some of the concerns.

Background:

Before reviewing the options, some general information based on our experience and observations may help frame the issue.

From at least 1988 until 2008, there was 2-hour timed parking restrictions in certain sections of downtown. The method for enforcement was the manual chalking of tires by the police department and the fines were \$5. 90% of fines were remitted to the school system as required under state law. In 2008, a study indicated it cost the Village more to issue and collect the fines than we received and the 2-hour timed parking restriction was abolished (see Exhibit 1 for report).

In 2012, the Village conducted a weeklong in-house parking study to understand parking availability by downtown zones and time of day. Exhibit 2 demonstrates the zones studied and Exhibit 3A is the findings for the two most congested zones. Zone B, consisting of Market Square, and zone C, consisting of parts of Chinquapin, were the two most congested. The numbers in the blocks represent spaces available by hour. Highlighted blocks indicate time of day when 15% or less of parking spaces in that zone were available. Parking congestion tends to be from 10 am to 2 pm in these zones. Not surprisingly, these zones coincide with the highest concentration of office space, retail, and restaurants.

In 2017, the same study was repeated with largely the same results (see Exhibit 3B). The same two areas were most congested and busiest time of day was generally between 10 am and 2 pm.

Both studies found parking was generally available in the balance of the Village and always available in the Village Green lot.

While these findings are dated, the general observations of today's downtown reveal a similar parking dynamic. Spaces are generally available with more congestion in the same two zones between 10 am and 2 pm.

Options:

The following presents how each option could work, the rough cost estimates associated, and advantages and disadvantages of each.

1. Re-establish 2-hour timed parking restriction along certain streets

Re-establishing 2-hour parking restriction will require alternate methods to enforce. The traditional chalking of tires was found to be a violation of the 4th amendment by a federal appeals court in 2019.

License plate readers (LPRs) are an alternate method that does not violate the 4th amendment. LPRs mount to an enforcement vehicle and link to DMV records. It reads license plates, pinpoints location and time stamps the record as it moves down a row of parked vehicles. The enforcement vehicle can then return two hours later and the LPR will recognize license plates that have not moved. Interfaced handheld units create and print out tickets that are placed on windshields. To outfit one enforcement vehicle with the LPR and handheld unit would cost about \$25,000 plus an annual licensing fee of around \$2,000.

In addition, signs must be installed at all restricted parking spaces. Sign costs can vary widely depending on the desired aesthetics. A painted wood post and sign may run \$100 each while decorative posts to match the existing street signs can run as much as \$400 each, not including installation. The number of signs needed is approximately 140. Sign costs will range from \$14,000 to \$56,000.

Parking enforcement can be by an employee of the police department or a sworn officer. If compliance and consistent enforcement were the ultimate goal, a dedicated P/T parking attendant (non-sworn officer) working a randomized 15 to 20 hour workweek downtown at \$15/hour would be the best approach. Outfitting a staff member would require a simple uniform and handheld radio with an upfront expense of around \$3,000. Cost for staffing is estimated at \$14,000 annually. If consistent enforcement is not a primary concern, sworn officers could perform occasional checks however, additional LPRs and handheld units would be needed so that each shift has at least one vehicle outfitted to perform this function. To add one outfitted vehicle per shift would be an additional \$75,000 to the start-up cost.

If a dedicated parking attendant is hired, they will need a vehicle. A basic sedan or compact on state contract is about \$17,500. A surplus vehicle could possibly be retained to save this cost.

The time and cost for the Finance Department to track tickets issued, match payments received, invoice past-due tickets, and initiate collection proceedings for non-payment has not been included. Based on previous experience, this can be a significant time consuming, and thus, expensive process.

Revenue from issued tickets is not projected as an offset since a fine has not been determined and the choice of enforcement manner will affect the number of tickets issued.

The advantage of option 1 is a reduction of parking spaces occupied for extended periods of time by downtown workers. Each parking space should turnover every two hours thereby increasing the opportunity to locate a space within the restricted zone. The disadvantages of option 1 are high upfront costs for equipment and signs and the expense of ongoing enforcement. The addition of signage will create visual clutter and it is unclear if it will encourage or discourage more shopping. Visitors may perceive the 2-hour restriction as "un-welcoming" and downtown workers can easily circumvent the

intent by coordinating the switching of parking spaces to avoid a violation. This was a known tactic employed when 2-hour parking restrictions were in place.

2. Establish paid parking along certain streets

The best approach with paid parking is to use a third-party vendor to manage it. With a third party, all fees for parking are paid by the person using a mobile app. They can select the amount of time desired and can add additional time via the app if they choose to stay longer.

The third party vendor manages transactions and is paid an annual base fee and retains a small percentage of each transaction. The balance of fees paid are forwarded to the Village. The annual base fee is estimated at \$13,000 per year. For an additional of approximately \$12,000, alerts can be sent to the police department when time has lapsed on a vehicle so enforcement can be initiated. Without this additional service, the timed parking enforcement is non-existent and compliance relies on the honor system.

If the lapsed time notification subscription is included with the vendor, ticket issuance, tracking and collection by Finance will be an added time and expense as noted in option 1.

The amount of revenue generated from paid parking is unknown since utilization rates and hourly fees are unknown at this time, but presumably, the hourly rates could help offset the annual fee paid.

Like timed parking, signs are necessary for each parking space to provide instructions and to identify each space. Sign cost would be the same as with 2-hour parking (\$14,000 to \$56,000).

Since the vendor notifies the police department for expiring times, enforcement can be by on-duty officers thus eliminating the need for dedicated part-time staff.

The advantage of option 2 is it permits flexibility for parking space occupation while discouraging complete monopolization of a space. The disadvantages are upfront costs are high and the addition of signage will create visual clutter. The use of an app could be a deterrent for some to use the spaces, especially among seniors who may be uncomfortable with the technology. It is unknown if paid parking will encourage or discourage more shopping downtown or if there could be a negative perception generated with its implementation.

3. Remain status quo recognizing a new parking deck is likely to be constructed that may, or may not, relieve some of the concerns.

This is self-explanatory and requires no action by Council. There is also no cost to remain status quo.

The advantage of this approach is it is a known situation and recognizes that parking is available albeit not exactly where someone may want it. It provides time at no expense for the addition of a parking deck and its overall impact to be determined.

Recommendation:

Staff's recommendation would be to keep the status quo recognizing the significant expense involved. In addition, the construction of a parking deck is currently within the 5-year plan. The impact of that deck on parking availability is unknown and may resolve concerns.

If parking restrictions were Council's desire, regardless of method, staff would recommend the following:

- Restrictions should be limited to the zones highlighted on exhibit 4. (Note the exclusion of the parking spaces in front of the old Department Store and The Theater Building. That is because those spaces are mostly on private property.)
- Restrictions be limited to Monday through Friday between the hours of 9 am and 5 pm.
- Applicability and management of restriction for residents living above storefronts would need to be determined.
- Existing parking ordinance amended to establish restrictions and set the penalty to a punitive amount. (Previous parking fines were \$5. If the ordinance is constructed to not be a criminal offense, the fine can be raised to a higher amount)
- Wayfinding signs within downtown be considered to direct people to free all-day parking.

VILLAGE OF PINEHURST PARKING TICKET PROCESS

In the spirit of continuous process improvement, the Financial Services department and the Police department evaluated the parking ticket process and together recommend that the practice of issuing tickets for overtime parking in the Core Village be discontinued. Our evaluation reveals that the cost associated with issuing overtime parking tickets far exceeds the benefits derived from this practice.

HISTORY

The Village of Pinehurst issues overtime parking tickets in the Core Village based on Village parking ordinances. According to the ordinances, parking is limited to 2 hours and only one ticket can be issued a day per vehicle. The current fee for overtime parking is \$5.

PROCESS

1. VOP Police Officers walk the Core Village three times a day Monday through Friday to check parking and mark tires. Each round takes approximately one hour of an officer's time.
2. The original ticket is sent to Financial Services and a copy is retained by the Police Department (PD).
3. Financial Services has to look up the plate number to identify the correct customer account and input the parking ticket as a receivable in the accounting system. If the plate number does not already exist in the system, a request is sent to the PD to obtain the driver information based on the plate number. Under either scenario, the parking ticket is filed in an accordion file waiting for payment. Once the PD returns the driver information, a new customer account is set up in the system and a receivable is created.
4. Statements are mailed by Financial Services every other month.
5. To process a payment, the paper ticket has to be retrieved and the receivable transaction has to be cleared from the system. If a payment is received for a ticket that has not been entered in the system (see step 3 above), the payment is posted directly to revenue. The original parking ticket is filed along with the payment information in the cash receipts file.
6. On a monthly basis, Financial Services evaluates the total outstanding balance by customer. When the amount exceeds \$50.00, a letter is sent to the customer informing them that their state income tax return will be garnished for the outstanding balance. If the balance is not paid, the Financial Services department has to pay an outside party to get the customer's social security number and then send the information to the NC Debt

Exhibit 1

Set-Off program for collection. Financial Services has to continually monitor the customer's account for payments and notify the NC Debt Set-Off program if a payment is received so that a duplicate payment will not be made.

7. At the end of each month, Financial Services balances the receivable account to a deferred revenue account and posts the difference to parking ticket revenue. This difference represents the payments received during the month. In addition, the receivable general ledger balance is verified against the outstanding customer sub-ledger to insure that they are in balance.
8. At the end of each quarter, Financial Services sends a check to Moore County Schools for 90% of the total revenue collected during the quarter. In addition, they verify that there is a paper ticket that matches up with an outstanding customer receivable in the system.

STATISTICS

Average number of tickets issued annually	768
Average number of payments received annually	415
Average number of tickets outstanding	474
Average receivable balance	\$ 2,370
Average percent of receivable balance greater than 60 days old	87%
Plate numbers requested from PD each month	20+
New customer accounts established each month	20+
Average number of statements mailed every two months	130
Current number of accounts in Debt Set-off	5
Total number of Debt Set-off accounts collected	2
Total amount collected through Debt Set-Off	\$ 245

COST

Fiscal Year	Revenue Collected	Disbursed to Schools	Net Revenue to VOP
2004	\$ 5,145	\$ 4,631	\$ 514
2005	\$ 4,800	\$ 4,320	\$ 480
2006	\$ 3,630	\$ 3,267	\$ 363
2007	\$ 4,793	\$ 4,314	\$ 479

Fiscal Year	Labor	Supplies	Total Expenditure
2004	\$ 14,735	\$ 125	\$ 14,860
2005	\$ 14,735	\$ 125	\$ 14,860
2006	\$ 14,735	\$ 125	\$ 14,860
2007	\$ 14,735	\$ 125	\$ 14,860

Exhibit 1

Labor includes: 108 hours annually by two Finance Technicians and one cashier
 260 hours annually by a Sr. Patrol Officer
 22 hours annually by a Dispatcher

Supplies include violation books and statements.

Besides the monetary cost to issuing overtime parking tickets, there is a subjective cost. The Village of Pinehurst is perceived as nickel and diming the Merchants and their customers to death and that our employees need to find something more important to do with their time than issuing and processing tickets.

BENEFIT

There is only one quantifiable benefit derived from issuing parking tickets which is the amount of money disbursed to Moore County Schools.

One could argue that the Merchants receive a benefit of increased customer traffic and therefore revenue because they have a place to park. However, the Merchants are receiving parking tickets on a regular/repeated basis so the availability of parking spots near their store fronts doesn't really appear to be an enticement or impediment to their business.

CONCLUSION

In order to foster a positive relationship with the Merchants in the Core Village, create an environment where residents enjoy a wonderful quality of life and visitors have a memorable experience, and save between \$14,350 and \$ 14,500 annually, we recommend that the issuance of overtime parking tickets in the Core Village be discontinued.

In order to advance this recommendation, we suggest that the idea be brought to the attention of the Merchants to get their feedback on the possibility of discontinuing the issuance of overtime parking tickets or implementing another more efficient and customer friendly method to promote commerce in the Core Village.



Downtown Parking Availability Log

CHINQUAPIN

54 spaces available

85% Full: 46 spaces; 15% Vacancy = 8 spaces

Area	Time	8:00 AM	9:00 AM	10:00 AM	11:00 AM	12:00 PM	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	6:00 PM
Monday 2/6	Cool/Cool	54	17	11	10	10	13	10	15	11	13	21
Tuesday 2/31	Cool/Mild	25	18	11	6	2	1	5	5	12	16	16
Wednesday 2/1	Cool/Cool	30	21	9	7	4	9	19	16	11	13	9
Thursday 2/2	Clear/Cool	41	26	19	12	5	6	0	23	18	12	17
Friday 2/3	Clear/Mild	32	11	5	3	1	2	5	9	14	11	12
Saturday 2/4	Cool	29	27	25	24	10	0	10	17	18	22	10
Sunday 2/5	Clear & Cool	37	36	32	33	25	23	26	34	27	26	25

Downtown Parking Availability Log

MARKET SQUARE

47 spaces available

85% Full: 40 spaces; 15% Vacancy = 7 spaces

Area ↓	Time →	8:00 AM	9:00 AM	10:00 AM	11:00 AM	12:00 PM	1:00 PM	2:00 PM	3:00 PM	4:00 PM	5:00 PM	6:00 PM
Monday 2/6	Cool/Clear	32	22	20	11	9	6	11		15	21	15
Tuesday 1/31	Cool/Mild	27	18	15	11	2	2	6	11	13	18	21
Wednesday 2/1	Cool/Cool	32	21	16	10	8	12	16	24	25	29	22
Thursday 2/2	Clear/Mild	31	21	16	14	5	2	0	20	16	22	16
Friday 2/3	Cold/Mild	22	8	3	4	6	2	12	11	13	9	12
Saturday 2/4	Cool	25	21	18	20	14	0	16	19	23	28	17
Sunday 2/5	Main & Cold	30	31	29	29	25	24	26	28	27	28	26

15% Vacancy = 7 spaces

[illegible]

15% Vacancy = 8 spaces

[illegible]

Downtown Parking Restrictions Zone

