



CITY OF MANHATTAN BEACH

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STAFF REPORT

Agenda Date: 2/20/2024

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Talyn Mirzakhian, Community Development Director
Jaehee Yoon, Senior Planner

SUBJECT:

Status of the Long-Term Outdoor Dining Program Development, Consideration of Recommendations from the Outdoor Dining Task Force and Amendment No. 1 to the Professional Services Agreement with Moore Iacofano Goltsman, Inc. (MIG), and if Approved, Appropriate \$91,727 from the General Fund (Community Development Director Mirzakhian).

(Estimated Time: 1 Hr.)

- A) DISCUSS AND PROVIDE DIRECTION**
 - B) APPROPRIATE FUNDS**
 - C) ADOPT RESOLUTION NO. 24-0018**
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RECOMMENDATION:

Staff recommends that the City Council receive the second report on the status of the long-term outdoor dining program development and provide direction on recommendations from the outdoor dining task force. If the City Council concurs with the preferred program vision, staff recommends that the City Council appropriate the necessary funds and adopt Resolution No. 24-0018, amending the original Professional Services Agreement (PSA) with MIG, the consultant assisting with long-term outdoor dining program development.

EXECUTIVE SUMMARY:

On September 5, 2023, the City Council received the first status report on the long-term outdoor dining program development with regards to the task force-recommended program scope. Subsequently, between October and November 2023, the City carried out three different community outreach efforts (i.e., community workshop, Hometown Fair, and targeted walk street corner outreach with focus group discussions) to inform the public of the program development and gather input on a variety of related topics. Overall, the public was largely in support of establishing a long-term outdoor dining program, contingent upon the associated negative

impacts such as trash, noise, narrow sidewalks, parking, and traffic being adequately addressed and/or resolved. Based on the input received from the targeted walk street corner outreach, the general proposal to utilize walk street commercial corners for outdoor dining is no longer being recommended. However, staff has provided three options for the City Council to select from for one specific walk street commercial corner (i.e., east of Manhattan Avenue along 10th Street) based on comments from the task force.

Taking the community's feedback into consideration, interdepartmental staff collaborated on a potential solution to address the aforementioned issues while providing an optimal environment for outdoor dining opportunities. The proposed preferred program vision entails permanent sidewalk widening, reconfiguring of on-street parking spaces to accommodate sidewalk widening, and identifying areas for outdoor dining and public "flex" spaces. The preferred program vision balances the residents' quality of life and provides a robust sidewalk dining environment for businesses. Additionally, the California Coastal Commission (CCC) staff commended the conceptual plan, as the whole of the proposed components counter-balance privatization of public spaces in the Coastal Zone. Lastly, on December 12, 2023, the task force unanimously voted to recommend the preferred program vision and concentrate on resolving the current issues related to trash, noise, and vehicle loading in the interim to prevent exacerbating the situation, if the preferred program vision is ultimately implemented.

In order to further develop the preferred program vision based on the conceptual plans, preparation of preliminary plans are necessary to proceed to the next stage prior to the development of construction documentation. Due to limited resources and expertise in-house, staff is seeking the City Council's approval on amending MIG's PSA to include additional work scope to develop preliminary plans, which would be prepared by a civil engineer. If approved, the preliminary plans will be delivered concurrently with the rest of MIG's work scope by the end of September 2024.

FISCAL IMPLICATIONS:

If the City Council desires to expand the consultant's work scope to include developing preliminary civil engineered plans for the preferred program vision, an additional appropriation of \$91,727 is needed from the unreserved General Fund balance to fully fund the agreement.

BACKGROUND:

Between June 2020 and February 2023, the City allowed for temporary outdoor placement of a variety of uses in response to COVID-19 protocols that restricted indoor operations. After a number of amendments to the City's Emergency Orders regarding the temporary program and public testimony on the subject matter, the focus gradually shifted to post-pandemic operations for outdoor dining and business uses. In general, the community has been supportive of allowing outdoor dining and business uses to continue in the post-pandemic era as long as a refined set of regulations to address some of the unintended pitfalls of the temporary program are established. Subsequently, on August 24, 2021, the City Council directed staff to pursue a work plan item to study a long-term program for outdoor dining and business uses, both in the public right-of-way and on private property.

On July 5, 2022, the City Council directed staff to form a 15-member ad hoc task force to assist in the long-term program development process, which was completed on April 4, 2023 when the

City Council appointed members from the public.

On June 6, 2023, the City Council approved a contract with MIG to assist the City in specialized subject areas of developing the comprehensive, long-term program so as to expedite the development process and supplement the necessary resources that are currently not available in-house.

On September 5, 2023, a status report was presented before the City Council on the task force-recommended program scope, Minor Local Coastal Program (LCP) amendment option, and potential contract revisions with MIG. At the time, the City Council provided the following direction to staff:

1. Supported the task-force recommended program scope, including:
 - i) Business Uses: Eating and Drinking Establishments only, with public improvements (i.e., street furniture and landscape/hardscape) in Downtown and North Manhattan Beach, which may cater to Food and Beverage Sales uses as well as visitor-serving amenities to balance private and public interests.
 - ii) Location:
 - Allow private property outdoor dining Citywide utilizing parking spaces, only when excess parking spaces are available, developing underutilized open spaces, and constructing second floor decks (already an option in many areas).
 - Limit public property outdoor dining to Downtown and North Manhattan Beach only.
2. Acknowledged the different LCP amendment paths the program may take.
3. Requested that additional outreach be conducted to seek input from residents who will be most impacted by the potential commercial use of select walk street commercial corners.
4. Requested that the task force and staff consider defining outdoor dining as part of the program development to clarify the objective.
5. Opposed revising the agreement with MIG as the additional work scope for a statistically accurate community survey and alternative traffic pattern analysis were not warranted.
6. Requested that staff assess the current vehicle loading and waste management issues in Downtown to provide solutions on whether the City needs to be more restrictive in terms of its regulations or increase staffing to enforce existing regulations.

To date, the City has held nine outdoor dining task force meetings that included a series of informational sessions and discussions amongst the task force members. Below is a summary of topics covered at each meeting:

Meeting Date	Agenda
May 1, 2023	Program scope; visioning exercise; and a strengths, weaknesses, opportunities, and threats (SWOT) analysis
May 30, 2023	Living streets design manual, (rescinded) Downtown Specific Plan, outdoor dining case studies (City of San Diego and Capitola)
June 27, 2023	Code considerations (fire, building and safety, public works, and

	traffic)
July 25, 2023	Program scope refinement and overview of required code amendments
August 29, 2023	Provisions related to outdoor dining operations (hours, alcohol service, occupancy, etc.)
September 26, 2023	Overview of Downtown and North Manhattan Beach parking data analysis
October 24, 2023	Community outreach summary, outdoor dining definition, and targeted outreach scope for walk street commercial corners, design guideline elements
December 12, 2023	Targeted walk street resident outreach summary, introduction of the preferred program vision, and considerations for public realm development
January 23, 2024	Conceptual plan review of the preferred program vision; and overview of provisions related to live entertainment, music, and vehicle loading

The meeting agenda, minutes, and PowerPoint slides from each meeting can be found on the City's outdoor dining [webpage](https://www.manhattanbeach.gov/departments/community-development/outdoor-dining/-toggle-all) [-<https://www.manhattanbeach.gov/departments/community-development/outdoor-dining/-toggle-all>](https://www.manhattanbeach.gov/departments/community-development/outdoor-dining/-toggle-all).

DISCUSSION:

Community Outreach Efforts

On October 2, 2023, the City conducted its first community workshop to inform the public of the program development and receive feedback through interactive exercises. The workshop was attended by approximately 62 community members who were able to provide their input on a variety of topics including, but not limited to, how they define outdoor dining, features they would like incorporated into the program in the public realm and outdoor dining operations, as well as potential parking solutions to consider. In an effort to further expand the outreach to a wider audience, the City set up a dedicated booth at the 51st Annual Manhattan Beach Hometown Fair from October 7-8, 2023, with the same materials and display boards from the community workshop. Overall, the results of the feedback received were largely supportive of outdoor dining, including the concept of providing outdoor dining opportunities on select walk street commercial corners. Based on written and verbal communication from both outreach efforts, the public perceived the temporary outdoor dining program as an experience that bolstered a sense of community and social interaction that activated the streetscape. In addition, the public thought it was a great alternative to conventional indoor dining in a City that has an ideal environmental setting for outdoor dining. Conversely, there were concerns expressed that require special attention as the City develops the long-term program. Specifically, a number of concerns were repeatedly raised pertaining to excessive trash and noise generation, narrowness of sidewalks, parking shortages, traffic congestion, and compromising the character of the City, some of which are issues that the City currently faces even without a long-term outdoor dining program in place.

Walk Street Commercial Corner Targeted Outreach

In November 2023, staff conducted additional targeted outreach to parcels along the same block as the 15 identified walk street commercial corners about the potential utilization of walk street commercial corners for outdoor dining, per the City Council's direction from the September 5, 2023 City Council meeting. Accordingly, staff sent out postcards and delivered door hangers requesting their participation in a survey and an optional focus group discussion. Staff reached out to over 200 individuals inclusive of tenants and property owners that would be most impacted by the proposed change; received 43 responses with 20 of them indicating an interest to participate in focus group discussions.

Despite the overwhelming support to allow outdoor dining opportunities on select walk street commercial corners from the general community outreach efforts in October 2023, the majority of the respondents to the survey and focus group discussions strongly opposed the idea and reiterated a number of concerns that the residential community has experienced during the temporary outdoor dining program, as well as issues that continue to persist today. Based on the negative feedback, the option to allow the use of walk street commercial corners for outdoor dining is no longer being recommended. However, understanding that the program will also include opportunities to improve the public realm with uniform street furniture and hardscape/landscape features on existing right-of-way for the public to sit, eat, and enjoy the surroundings, the task force seeks to revisit select walk street commercial corners immediately adjacent to commercial uses (not residential) for that purpose. This includes the walk street adjacent to "Uncorked" and "Manhattan Denim", on the east side of Manhattan Avenue, at 10th Street. As this particular walk street corner is uniquely situated away from immediate residential uses, some task force members have opined that special consideration may be given to this site to allow outdoor dining activities, given that the preferred program vision (as discussed in the following section) involves wider sidewalks and clear paths of travel for pedestrians. In light of the interest to further explore an exception to prohibiting commercial use of walk streets, the City Council may consider three options for the specific walk street commercial corner on the east side of Manhattan Avenue, at 10th Street:

- 1) Maintain the status quo of prohibiting commercial use of walk streets (i.e. no amendment to Local Coastal Program or General Plan necessary). In this scenario, sidewalk dining along the frontage of an Eating and Drinking Establishment use may continue operating, pursuant to existing code regulations.
- 2) Same as Option No. 1 above but with public-serving amenities developed along the walk streets as part of the Conceptual Plan's proposed public flex space. This option does not require amendments to the existing Local Coastal Program, as the walk streets may currently be utilized for public uses, but not for private commercial uses.
- 3) Amend the Municipal Code, General Plan, and LCP to allow private commercial use of this specific walk street for outdoor dining only in lieu of the currently utilized sidewalk dining, which fronts the establishment. By doing so, additional sidewalk widening and alteration of the existing landscaped area along this segment of the street would not be necessary. In this scenario, the permittee would be required to regularly maintain/upkeep the encroachment area.

While the task force has not come to a consensus regarding these options through a formal

vote, staff recommends Option No. 2 as the best alternative for this area, as it aligns with the CCC's preferred use of public space and will not require amendments to the existing code and related documents.

Stakeholder Interviews

As of this writing, there have been a series of stakeholder interviews conducted by the consultant team that targeted not only the business community but also residents. Interviews were conducted with parties throughout different geographies, including four residents and more than a dozen business owners representing establishments of all types. Below is a high-level summary of each stakeholder group based on the feedback received thus far:

- Eating and Drinking Establishments who participated in the temporary program spoke highly of the program's benefits, which included both economic relief and a dynamic environment that made the program popular and attractive to customers by providing a walkable and welcoming atmosphere. With the end of the temporary program, businesses have experienced notable reductions in sales volumes. Hence, they have expressed a strong desire to establish a long-term outdoor dining program in the near future and their willingness to work with the City and the public to implement a program that is fair, desirable, and an asset to enhancing the quality of life for the community. Several business owners indicated a need for additional outdoor space, including sufficiently wider sidewalks, especially in North Manhattan Beach. Lastly, they noted that many parking and delivery concerns predate the temporary outdoor dining program. The consultant team will utilize information gathered from interviewees to estimate the potential for additional sales tax revenue in relation to the proposed long-term program.
- Some non-Eating and Drinking Establishments (e.g., Food and Beverage Sales, retail, etc.) noted that while there were negative impacts due to loss of on-street parking for their patrons from the temporary outdoor dining operations, there was an increase in foot traffic that led to sales growth. Several businesses noted that the temporary outdoor dining had a synergistic, "win-win" effect for some non-Eating and Drinking Establishments by bringing in more people to shop and linger. Conversely, loss of on-street parking in the vicinity for other establishments meant loss of patrons from on-street decks that occupied the available parking spaces. Additionally, several businesses highlighted that outdoor dining areas were not activated during mid-day when parking is most needed for non-Eating and Drinking Establishments. It should be noted that the consultant team will be reviewing the effects of the temporary program and sales tax revenue to better understand these relationships as part of their fiscal impact analysis.
- Residents welcomed the idea of bringing back outdoor dining if it can be done right with a focus on aesthetics and creating a pedestrian-friendly environment. Most perceived the temporary on-street decks as overcrowded especially near busy intersections, and noted that the dining decks impacted views and were a sort of visual blight. They also noted that the parking, trash, and vehicle loading issues have existed prior to the temporary program and that they do not necessarily have a strong correlation to outdoor dining. For instance, they pointed out that most delivery trucks causing issues are related to FedEx, UPS, or Amazon trucks.

For some interviews where there were a mix of different stakeholders (i.e., Eating and Drinking Establishment and Food and Beverage Sales), it also provided an opportunity for those businesses to understand different perspectives and challenges that will need to be considered.

Outdoor Dining Defined

Per the City Council's directive from the September 5, 2023 meeting, staff incorporated into the outreach efforts exercises that help define what outdoor dining means to Manhattan Beach. Based on the input received from the community engagement efforts in October 2023 and on discussions amongst the task force, the following is being recommended as a definition for outdoor dining:

Open air "al fresco" dining on public and private property, in which the experience:

- *Allows for opportunities to enjoy the pleasant weather and scenic ocean views*
- *Promotes a sense of community and interaction with others*
- *Enhances the ambiance and small town character of Manhattan Beach*
- *Balances community vibrancy with residential quality of life*

Preferred Program Vision

Program Goal

The primary goal of the long-term outdoor dining program is finding balance between providing outdoor dining opportunities, where appropriate in the context of the City's built environment, and preserving the residents' quality of life. Having heard the repeated issues and concerns raised via the various community outreach efforts, a balance can be reached if and when the City develops a program that addresses the following concerns:

- Existing sidewalks are already narrow, which often get congested with outdoor dining activities.
- On-street decks cause numerous issues such as visual blight, diverted drainage flow and flooding, elimination of on-street parking spaces, vermin, debris, visibility, and long-term maintenance issues.
- Increased occupancy caused by outdoor dining further exacerbates parking shortages and traffic congestion.
- Outdoor dining creates additional trash and noise, which negatively impact the residents' quality of life.

Components of the Preferred Program Vision

Based on the community input, staff initiated inter-departmental discussions to develop a potential solution in Downtown and North Manhattan Beach to adequately address most of the aforementioned issues and concerns. With each department's collective expertise, permanent improvements in the right-of-way were envisioned, which consist of the following components for the preferred program vision:

- 1) Widening sidewalks along select streets, where it is feasible due to underutilized road widths or spaces in the vicinity.
- 2) Reconfiguring on-street parking spaces by adding, removing, or changing parallel into

angled parking and vice versa so that the net loss of parking, if any, is minimal, without eliminating existing vehicular lanes. Notwithstanding, staff and the consultant team continue to explore additional/new parking opportunities and alternatives (i.e., micro-mobility options, bicycle facilities, shuttle service, etc.) to address the anticipated occupancy increase generated by the proposed program.

- 3) Identifying areas for outdoor dining and public-serving amenities in the right-of-way. The identified outdoor dining opportunities mostly represent a robust version of sidewalk dining that are immediately adjacent to the establishment with a wider sidewalk space outside of the delineated sidewalk dining area. For the public-serving amenities, the task force has suggested a menu of options for landscape/hardscape improvements that can be selected based on the location, size, and needs of a given area. They include, but are not limited to, uniform street furniture, trash bins, landscaping, decorative lighting, bollards, bike facilities, and “good neighbor” signage (e.g., no disruptive or disorderly conduct, hours from dusk to dawn, no smoking, no skateboarding, no littering, etc.). As a whole, the areas with public serving amenities have been named ‘public flex space’ in the conceptual plan due to its ability to serve a variety of different purposes for the public.

Benefits of the Preferred Program Vision

Based on preliminary review of the conceptual plans and a walking tour amongst staff, the preferred program vision is supported across all departments. This is mainly because the City has the ability to better plan for and design permanent infrastructure rather than react to temporary expansions and structures in the right-of-way, as experienced during the temporary program. Additionally, there are several public benefits that can be achieved with the preferred program vision as it pertains to sidewalk widening as below:

- Robust sidewalk dining opportunities will be located immediately adjacent to the establishments with temporary barriers that clearly delineate the outdoor dining area. This will allow a clear path of travel for pedestrians and less congestion and interception, as servers will not need to cross over sidewalks to serve patrons on on-street decks. This will also enhance the overall appearance of the street and reduce visual blight that was attributed to dining decks. It will also allow establishments to conveniently connect to necessary utilities from their building without having to go underground.
- The program allows for opportunities for the public to utilize the extra sidewalk space for flexible uses, when sidewalk dining is not in operation, as the City can require removing outdoor dining furniture from the right-of-way. Conversely, dining decks in the street took up parking spaces 24-hours per day, even though they may have only been utilized for dinner service.
- By eliminating on-street decks, curbside passenger access for parked cars can be provided and the need for access ramps to and from the outdoor dining areas can be reduced.
- The scope of the LCP amendment will be minimal, which can help expedite the process with the CCC upon their review. It should be noted that the CCC staff were presented with this concept for their input and it was well-received, as it has the ability to counter balance privatization of public spaces in the Coastal Zone resulting from outdoor dining

opportunities in the right-of-way. According to the CCC staff, the topic of privatization of public spaces for outdoor dining has now become highly scrutinized and challenged by the CCC.

Goals During the Interim

The preferred program vision was first introduced to the task force in December 2023 and further discussed with conceptual plans at its January 2024 meeting. Based on discussions at the December 2023 meeting, the task force voted unanimously to recommend pursuing the preferred program vision. At the same meeting, staff clarified that the preferred program vision would take time to design, fund, and construct. Accordingly, staff sought input from the task force as to how to address outdoor dining in the interim, between now and the time the preferred vision comes to fruition, in the event that it gets approved by the City Council and CCC.

Based on existing codes, the City provides sidewalk and private property outdoor dining opportunities, which are currently utilized by Eating and Drinking Establishments and can continue to be utilized until a preferred program vision is built out in phases. With these avenues currently available for outdoor dining, the task force unanimously elected to rely on these existing opportunities in the interim, rather than introduce another temporary option. A stopgap measure that either reintroduces on-street decks or other temporary solutions would result in exacerbation of the issues previously noted in this report (i.e. trash, noise, vermin, etc.) without appropriate solutions. The task force recommended that, in the interim, staff work to address issues related to refuse, noise, and vehicle loading in order to prevent and minimize exacerbation of these issues once the preferred program vision is implemented. As a first step, the task force is currently working on matters such as developing provisions for commercial vehicle loading, live entertainment, and amplified music. Discussions will also include how to address additional refuse capacity associated with increased occupancy at establishments with outdoor dining in the future. Staff supports the task force's recommendation for the interim period for all of the reasons noted above.

It should be noted that, over the last six months, the City has made progress toward improving the appearance and cleanliness of the public right-of-way. Specifically, the recent replacement of standard trash/recycle bins with "Big Belly duo units", as part of the City Council's Downtown and North Manhattan Beach Beautification work plan effort, prevents trash overflow issues and reduces the frequency of required pick-ups, as the receptacles are able to hold three to five times more refuse. Additionally, insourced porter services throughout the Downtown and North Manhattan Beach business improvement districts began temporarily in September 2023 to ensure the City looks presentable and inviting. In November 2023, the City Council approved the long-term insourcing of pressure washing and porter services for both business districts, which has been a cost-effective solution to further maintaining a clean environment, and was commended by the community. Moving forward, staff will continue to explore creative solutions with other departments to help mitigate trash and noise concerns through researching best practices, analyzing optimal use of the limited resources, and considering corresponding code amendments. As part of this effort, the Public Works Department is currently focusing its research on amending the City's ordinance related to trash enclosures, with the potential to move toward a square-footage model, whereby a range of minimum enclosure sizes would be specified in the Municipal Code.

Potential PSA Revision with MIG

The PSA with the outdoor dining consultant, MIG, was approved by the City Council on June 6, 2023 for a total maximum compensation amount of \$400,000. If the City Council desires to proceed with the preferred program vision, the conceptual plan will need to be further developed into preliminary plans, prepared by a civil engineer. At the preliminary design stage, the City will be able to more accurately assess the technical and financial feasibility of the concept and prepare for construction documentation for build out in the future. As considerable resources are required to develop preliminary plans at this scale and detail, and which cannot be carried out in-house, staff has initiated discussions with MIG to potentially revise the PSA to include such work scope given their engineering expertise and knowledge of the City's program development. Based on the conceptual plans and requested work scope, MIG is proposing an additional amount of \$91,726.33 to complete the preliminary plans within the same timeframe of delivering their final product by the end of September 2024. This amendment would increase the agreement's total maximum compensation to \$491,726.33. Specifically, the additional work scope includes analyzing existing conditions with field visits, developing an inventory of potential outdoor dining seating areas and parking/street changes, preparing preliminary design drawings, and estimating costs based on the preliminary plan. An optional task is included in the proposal by MIG as supplemental services. The supplemental service includes costs up to \$15,000 per street block, which will be expended only in the event the work scope of the preliminary design needs to be expanded to accommodate additional street segments beyond what was anticipated from the conceptual plan prepared by City staff in January 2024.

It should also be noted that the PSA's original work scope with MIG, approved in June 2023, included creating a design manual to serve as a visual aid in illustrating the provisions for on-street dining decks in a clear and concise manner. Given that the preferred program vision will focus on creating robust sidewalk dining opportunities, a thorough analysis or creation of multiple other outdoor dining prototypes such as on-street decks will no longer be necessary. As such, staff is proposing to eliminate the task and costs associated with creating the design manual and crediting that amount towards the preliminary design. MIG's proposal for the additional work scope reflects this change which resulted in a reduced amount of approximately \$38,600.

Direction Needed

Staff requests City Council direction on the following matters:

- A. The task force-recommended preferred program vision that includes widening sidewalks, where feasible, reconfiguring on-street parking spaces, and identifying outdoor dining opportunities as well as public flex space in Downtown and North Manhattan Beach.
- B. Options regarding the commercial walk street corners east of Manhattan Avenue at 10th Street to either,
 - a) Maintain the status quo to prohibit commercial use of walk streets and allow sidewalk dining per the existing Municipal Code;
 - b) Same as Option A, but with public flex space improvements on the walk streets to cater to non-Eating and Drinking Establishments and the general public; or
 - c) Amend the Municipal Code, General Plan, and LCP to allow for commercial use of walk streets limited to outdoor dining in this specific area and prohibit sidewalk dining along

the frontage of the Eating and Drinking Establishment.

- C. Potential PSA amendment with MIG to assist the City in developing a preliminary plan for the preferred program vision by adopting Resolution No. 24-0018 to approve Amendment No. 1 in the amount of \$91,726.33.

CONCLUSION:

Based on the discussions and recommendations by the outdoor dining task force, staff requests further direction from the City Council regarding the items specified in the 'Direction Needed' section of this report above.

PUBLIC OUTREACH:

A courtesy notice was published in The Beach Reporter on February 8, 2024, and an email was sent out to all interested parties notifying them of the scheduled discussion before the City Council. Additionally, this report will be uploaded to the City's dedicated outdoor dining webpage. As of the writing of this report, staff received two public comments as attached.

ENVIRONMENTAL REVIEW:

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the discussion and direction from Council is not a "Project" as def