

# City of Manhattan Beach Outdoor Dining Program Stakeholder Outreach Summary

June 2024

## Introduction

Moore Iacofano Goltsman, Inc. (MIG) and Economic & Planning Systems, Inc. (EPS) conducted interviews between December 2023 and April 2024 with key stakeholders representing Eating & Drinking Establishments (E&D), Food & Beverage Sales (F&B), retail, and other businesses, as well as residents. The participants either operated a business or resided in and around Downtown and North Manhattan Beach, areas which will be most impacted by the long-term outdoor dining program. The stakeholder interview discussions were based on a set of pre-determined questions developed by the consultant team and the City of Manhattan Beach (City) staff, focused on the following topics:

- A. General feedback on the temporary outdoor dining program between June 2020 and February 2023
- B. Fiscal impact of the temporary outdoor dining program on businesses (including non-E&D)<sup>1</sup>
- C. Suggestions or concerns in developing the long-term outdoor dining program
- D. Comments related to parking, alternative modes of transit, and service vehicle loading/unloading

Ten stakeholder interviews were conducted, as follows:

December 19, 2023	Downtown E&D Large Business (Slay Hospitality Group, Simms Restaurants <sup>2</sup> )
January 3, 2024	Downtown E&D Small Business (Culture Brewing, Uncorked)
January 3, 2024	Downtown/North Manhattan Beach Small Business (Bella, Two Guns Espresso, El Porto Laundry)
January 12, 2024	Resident Group 1 (Downtown residents)
January 12, 2024	Resident Group 2 (Non-Downtown/North Manhattan Beach residents)
January 22, 2024	North Manhattan Beach Business (Baja Sharkeez <sup>3</sup> , Paradise Bowls, Café Wild)
January 25, 2024	Chamber of Commerce
January 25, 2024	Downtown Retailers (Katwalk, Dacha)
February 26, 2024	Resident Group 3 (North Manhattan Beach residents)
April 9, 2024	North Manhattan Beach Business Improvement District (Sloopy's)

EPS was involved in four of the group interviews with a total of 10 businesses to better understand the fiscal impacts that were experienced by individual businesses, as well as to ask questions that will assist in developing the long-term outdoor dining program's fiscal impact analysis. A summary of findings by EPS can be found beginning on page 13.

<sup>1</sup> Fiscal impact discussions were limited to businesses only

<sup>2</sup> Two representatives, each managing different establishments within Simms Restaurants, participated in the interview

<sup>3</sup> The business owner also provided input on their Downtown establishment, Esperanza

Most businesses interviewed fell under E&D which participated in the temporary outdoor dining program. However, there were several other types of businesses interviewed as shown in **Figure 1** below.

**Figure 1: Types of business owners/representatives interviewed**

Eating & Drinking Establishments *(participated in the temporary program)*



Other Establishments *(did not participate in the temporary program)*



It should be noted that this memo summarizes specific quotes from individuals who participated in the interviews, which have been edited for clarity and brevity, and are not the opinion of the consultant team nor City staff.

## General Findings

Below is a summary of key findings derived from the stakeholder interviews with the business and residential communities:

- The temporary outdoor dining program increased the visibility of businesses and brought in new customers during the pandemic that was not exclusive to E&D.
- Outdoor dining created a sense of community and enhanced livelihood of streets throughout Manhattan Beach.
- Businesses are seeking assurance that once the long-term outdoor dining program is implemented, it is here to stay without various modifications so they may invest in outdoor dining with certainty.
- Most participants want to have outdoor dining that adheres to baseline standards to ensure a level of quality and a unified look throughout the City. However, flexibility in decorating the outdoor dining area should be allowed to give each individual business an opportunity to customize.
- Parking has always been an issue in and around Downtown and North Manhattan Beach. Some experienced negative impacts from the loss of parking during the temporary outdoor dining program but most felt that there could be other solutions provided to ease parking challenges (e.g., more bike facilities, shuttle service from larger parking areas, short-term parking spaces to help retail or take-out businesses).
- There were locations with too much sidewalk congestion during the temporary outdoor dining program. Hence, people would like to see sidewalks widened or sidewalk congestion addressed to allow for better pedestrian access at locations with high pedestrian traffic, narrow sidewalks, and a concentration of outdoor dining areas.
- Consideration should be given to utilize walk streets, when possible, to reduce the impact on street parking and sidewalks.

## Themes

Questions for each stakeholder group were crafted to provide an opportunity for each participant to provide their unique perspective, knowledge, and ideas regarding the temporary outdoor dining program and the long-term outdoor dining program currently being developed. This section provides overall themes which emerged from the various interviews, along with feedback received related to each theme.

### Temporary Outdoor Dining Program

#### 1. **BENEFITS**

- a. **Summary: The temporary outdoor dining program added livelihood to the street and created more of a sense of community through increased activities and visibility in the right-of-way. In addition, it provided opportunities to dine while taking in scenic views and helped increase foot traffic to other businesses. By doing so, it helped restaurants and retailers alike stay afloat during the pandemic and many saw that the loss of parking from temporary dining decks was worthwhile.**
- b. **Business Community Input**
  - i. Created a sense of community and dynamic environment for visitors that is more walkable and welcoming
  - ii. Added vibrancy and made the town seem alive and engaged
  - iii. Provided a fantastic opportunity to take advantage of where we are geographically to dine by the ocean
  - iv. Increased exposure and social scenes, which do not happen when everyone is eating indoors (i.e., foot traffic increased which helped support smaller retailers and businesses that did not have outdoor dining)
  - v. A game changer for restaurants with small indoor space
  - vi. Increased dining capacity was a positive to businesses
  - vii. Originally thought that it would only help select businesses and was apprehensive about shortage of parking; but now feels the opposite
  - viii. Thought the amount of lost parking spaces due to dining decks was worth it for the liveliness and extra business that it brought into the area
  - ix. Only heard positive things from nearby businesses and the community; it was a net positive experience
  - x. Except for the look and feel of a couple dining decks in the right-of-way, felt that it was successful since it saved businesses
  - xi. Gave people a place to patronize a business, enjoy outdoors, and watch the sunset
  - xii. Everyone opted to dine outdoors even on a cold day and the older population preferred outdoor seating
  - xiii. Allowed customers that were not comfortable eating indoors a great alternative
  - xiv. Noted that many people were disappointed when the temporary outdoor dining program ended
- c. **Residential Community Input**
  - i. Provided an opportunity to create a sense of community in a positive way with a more festive feeling
  - ii. Appreciated the option to eat outside because indoor dining can get too loud; it also felt safe and comfortable

- iii. Really enjoyed outdoor dining and went out to eat more often during the temporary outdoor dining program than had done previously
- iv. Welcomed the fact that restaurants had more seating available for patrons

## 2. **CONCERNS**

- a. **Summary: Concerns evolved around temporary dining decks, traffic, parking, congestion, pest control, trash, equity, drainage, and aesthetics.**
- b. **Business Community Input**
  - i. There were safety concerns with traffic, impacts to street drainage, increased rodents or biohazards collecting under the dining decks
  - ii. Delivery trucks were parking on residential streets because they could not park in front of businesses with dining decks
  - iii. Parking spaces taken up by dining decks were impactful in one way or another
  - iv. Larger vehicles had trouble navigating around the temporary dining decks
  - v. Parking and traffic are constant issues, however, do not feel that there is a difference between pre-COVID, during COVID, and post-COVID era
  - vi. Pest control and trash have been issues with or without the temporary outdoor dining program
  - vii. There were different degrees of attractiveness and quality of the outdoor dining spaces; some restaurants were willing to spend while others were not
  - viii. It helped some but hurt some businesses; could be done differently with the long-term program
- c. **Residential Community Input**
  - i. It was unpleasant at times because of the congestion created by outdoor dining when they were too cramped and close to crowded sidewalks
  - ii. It was way too narrow to get past restaurants in certain locations, especially north of Rosecrans Ave. where accessibility is already a challenge
  - iii. Disliked sitting within proximity to vehicles while dining outdoors
  - iv. Parking seemed to be more challenging but did not affect them because they chose to walk, ride bike, or rideshare
  - v. Parking, trash, and other impacts were not noticeable in North Manhattan Beach
  - vi. Some outdoor dining areas were not attractive
  - vii. The experience of on-street outdoor dining is not the same as that on private property, which is preferred; against the idea of allowing privatization of public spaces

## Return of Outdoor Dining

### 1. **LONG-TERM OUTDOOR DINING**

- a. **Summary: Many establishments supported the effort due to the several benefits they experienced during the temporary outdoor dining program. Special consideration should be given to certain aspects of the program to benefit everyone.**
- b. **Business Community Input**
  - i. Retailers saw the positive benefit of outdoor dining and want it back because they are now struggling

- ii. Restaurants are interested in participating in the long-term outdoor dining program because the temporary outdoor dining was successful for their business(es); however, it will depend on the cost and timeline of implementation
- iii. The long-term outdoor dining program should positively impact the overall business community; not just E&D
- iv. While some businesses did not participate in the temporary outdoor dining program, they are interested to see what the long-term program would be like
- v. Take the best parts of the temporary outdoor dining program and implement them in a permanent way that also addresses issues and concerns raised
- vi. Would like to see outdoor dining continue within reason (e.g., no street closures)
- vii. In support of outdoor dining program that does not affect parking
- viii. Taking up on-street parking is acceptable if it is used for outdoor dining and not for public uses as it may attract unwanted crowds
- ix. Prefer utilizing street parking spaces for outdoor dining that caters to numerous people rather than for a parked car for a handful of people
- x. Eliminating parking spaces is acceptable if there is other value added in some way
- xi. One business was an opponent of the temporary outdoor dining program due to parking issues and the fact that they would not be able to participate in the long-term program because their business is not an E&D
- xii. Concerned with short-term impacts from potential construction with widening sidewalks over the long-term benefits it may have
- xiii. A different approach should be taken for North Manhattan Beach since a program that affects parking is not going to be successful
- xiv. Sidewalk dining that does not remove parking spaces or reduce street width is the only option that would work in North Manhattan Beach
- xv. Several offered to review proposed program guidelines and provide feedback

**c. Residential Community Input**

- i. There is a large group of residents that enjoyed outdoor dining and supports the effort as it brought additional business to local restaurants and improved foot traffic in front of retail
- ii. Use this opportunity to consider how all the outdoor space can be better used; not exclusive to outdoor dining
- iii. The program should have the flexibility to adapt and shift under various circumstances without having to re-create another one in the future
- iv. Consider additional parking to accommodate parking demand from the long-term outdoor dining program
- v. Better utilize space currently designated for vehicles by prioritizing pedestrians with wider sidewalks
- vi. Noise and foot traffic complaints are not new nor always tied to outdoor dining

## Parking & Traffic

### 1. **PARKING**

- a. **Summary: The loss of on-street parking negatively impacted certain businesses and residents. For others, parking in Manhattan Beach has always been a challenge and the temporary outdoor dining program did not create any new challenges, emphasizing that parking is available if sought out.**

**b. Business Community Input**

- i. Parking is not an issue as people can easily find parking mid-week and when many large events shut down streets and parking, people still find a way to make it to Downtown
- ii. There will always be a constraint on parking in beach communities and there will never be enough parking available; there will be more people using it if there is more parking provided and eliminating a few on-street spaces will not greatly impact overall parking
- iii. Impacts to parking was minimal since temporary outdoor dining decks occupied a few out of thousands of public parking spaces
- iv. Parking structures are available and usable more often than street parking; have not heard a lot of people complaining about finding parking in structures
- v. Lack of parking does not affect business as much since people find a way to park and get around
- vi. The long-term outdoor dining program should minimize its impact on traffic/parking while allowing pedestrians to safely pass along sidewalks
- vii. Parking shortage is exacerbated in the summer and is the number one complaint they receive
- viii. Parking spaces eliminated in the vicinity to accommodate outdoor dining severely impacted their business and hence, does not want to lose any more parking along Manhattan Beach Blvd. and Manhattan Ave.
- ix. Due to limited parking, staff often park further and walk, bike or get dropped off; businesses cannot provide parking to their staff because the lottery system is limited in spaces available

**c. Residential Community Input**

- i. Outdoor dining did not really impact parking issues since you can never get parking where you would like; there was no noticeable change in parking since the temporary outdoor dining areas were removed
- ii. Some locations always have parking available such as Metlox if you are willing to look; Metlox should be advertised better as a parking solution since it often has more capacity
- iii. People do not realize how much parking is available in structures and they complain when spots are eliminated from the street
- iv. Do not see removal of street parking spaces as a negative because there is parking available elsewhere
- v. Will advocate to use parking spaces that cater to more people instead of cars
- vi. Felt that finding parking was impossible during the temporary outdoor dining program
- vii. Visitors take up parking all day to stay at the beach

**2. SHORT-TERM PARKING SPACES**

- a. **Summary: Designated short-term parking could potentially help businesses that cannot take part in the long-term outdoor dining program.**

**b. Business Community Input**

- i. There will be a positive impact by changing parking signage in certain areas for fast turnover businesses such as dry cleaners and coffee shops

- ii. Felt that their customers needed more than 15-20 minutes of parking for take-out service, but there is a charge to the business to change parking restrictions<sup>4</sup>
  - c. **Residential Community Input**
    - i. Designated short-term parking for retail businesses can be a helpful tool
3. **BIKE/SCOOTER**
- a. **Summary: Bikes are becoming more popular where more bike lanes and facilities will be helpful in potentially avoiding conflict with both automobiles and pedestrians. In addition, more bike parking facilities should be provided that do not impact sidewalk congestion.**
  - b. **Business Community Input**
    - i. Have seen a lot of cycling to local restaurants
    - ii. Good options for bike and scooter parking are limited and the existing locations are often on congested sidewalks
    - iii. Would like to see more alternative modes of transportation and the infrastructure to support that
    - iv. Any parking spaces removed should consider being replaced with alternatives like bike parking
  - c. **Residential Community Input**
    - i. E-bikes and rideshare are becoming more popular
    - ii. Want more bike lanes to be provided (not necessarily on every street) to avoid conflict with automobiles and pedestrians, including safety features for bikes
    - iii. Provide more opportunities for a healthier community where people can walk and bike more often than driving and parking
4. **SHUTTLE SERVICE**
- a. **Summary: Previous shuttle service in Downtown was great and helped alleviate parking issues.**
  - b. **Business Community Input**
    - i. Downtown shuttle service was great when it was active; should be re-introduced in Downtown and North Manhattan Beach and also serve east of Sepulveda Blvd
    - ii. Consider shuttle service that takes people from parking structures or other high-parking areas into Downtown
  - c. **Residential Community Input**
    - i. Shuttle service would alleviate some parking issues, especially those going to the beach
5. **RIDESHARE/DELIVERY PICK-UP**
- a. **Summary: Rideshare is used by customers but there is limited space for drivers to temporarily park when picking up food or waiting on passengers.**

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<sup>4</sup> Clarification note from staff: There is no charge to change the parking restrictions in front of a business; however, the City will determine whether or not to approve a change requested by the business based on the best interest of the entire city.

b. **Business Community Input**

- i. Many customers use rideshare to get to destinations
- ii. Rideshare vehicles take up 2-3 parking spaces while waiting on passenger pick-up and there are limited parking/loading areas for drivers

c. **Residential Community Input**

- i. Taking rideshare to Downtown is safer

6. **DELIVERY TRUCKS & LOADING HOURS**

- a. **Summary: Vehicle loading activities appeared to be an issue with or without outdoor dining, mainly due to the lack of consistency in delivery time/location, but also non-E&D deliveries throughout the day. Some loading activities block alleys, which create noise issues that negatively affect nearby residents. A restrictive loading hour provision may negatively impact businesses or be infeasible as they have little to no control over delivery hours.**

b. **Business Community Input**

- i. It is difficult to manage deliveries in congested areas
- ii. Delivery companies are not delivering on time and businesses often have little to no control over it
- iii. Has received complaints from residents nearby when deliveries occur
- iv. Delivery and loading trucks create traffic issues
- v. Heard related concerns in North Manhattan Beach since the streets are narrower with delivery trucks stopping in the road
- vi. Unaware of concerns related to traffic build-up during loading/unloading activities
- vii. It may not be feasible to create loading hours that are too restrictive since it may impact what time the crew needs to be there to receive orders which can affect labor costs
- viii. Most deliveries occur in the morning hours, as early as 5am
- ix. The bigger challenge is the Amazon trucks and deliveries that have frequent stops where needed, and everyone must find a way around them. Would like to see more regulations for these types of deliveries such as designated loading zones, pick-up points, and lockers
- x. Would like to see designated areas for deliveries rather than parking in an alley in front of a garage or trash receptacles/enclosures

c. **Residential Community Input**

- i. Appears to mainly affect Downtown residents, regardless of outdoor dining program
- ii. The impact is greatest in the alleys where they block access or are double parked on streets
- iii. There are no noticeable impacts from vehicle loading as delivery trucks are all over town including places that are not E&D
- iv. Consider limiting the hours of delivery and have better enforcement mechanism

## Congestion & Noise

1. **SIDEWALK CONGESTION**

- a. **Summary: Sidewalks were too congested and were hard to navigate due to outdoor dining activities in the right-of-way. Welcomed the thought of widening sidewalks to allow for improved pedestrian access.**



- b. **Business Community Input**
  - i. Use of sidewalks for pedestrians should also be considered
  - ii. Congestion is worse where sidewalks are narrow and outdoor dining is active
- c. **Residential Community Input**
  - i. Has seen improvements since the temporary outdoor dining program came to an end, but encroachment in certain areas with sidewalk dining are still congested
  - ii. Some outdoor dining areas take up too much sidewalk space and make it hard to walk by without being in a single-file line
  - iii. Would like to see the sidewalks expanded and obstructions removed that are in the way of traffic flow
  - iv. Parking meters should be removed as it adds to the congestion
  - v. There were bad examples of bussing/waiting across the sidewalk to the dining deck, which are undesirable

## 2. TRASH/NOISE

- a. **Summary: Trash and noise pollution do not seem to have increased with or without outdoor dining, but there were perceptions of noise and trash being associated with restaurant uses.**
- b. **Business Community Input**
  - i. Downtown resident associations have complained about concerns over extra trash, noise, and more people.
- c. **Residential Community Input**
  - i. Downtown in general is unclean on busy weekends
  - ii. A lot of restaurants are close to residences, and some are very noisy
  - iii. Trash has always been an issue and there were no noticeable changes witnessed whether with or without the temporary outdoor dining program
  - iv. Noise and foot traffic are not tied to outdoor dining; the restaurant uses have always been there
  - v. Did not experience people littering and being loud from outdoor dining

## Outdoor Dining Infrastructure & Design

### 1. AESTHETICS & DESIGN

- a. **Summary: Would like to see more uniformity in the outdoor structures and have safety prioritized, with businesses being able to have some creativity and flexibility.**
- b. **Business Community Input**
  - i. Ensure outdoor structures are of high-quality
  - ii. Have some uniformity that can be affordable for those who cannot invest as much but also the ability to stand out for creativity
  - iii. Design more in line with the character of Manhattan Beach while allowing options to choose from for different businesses
  - iv. Would like to see permanence (i.e., no wood structures that are “temporary”) so establishments can factor it in their business plans

- c. **Residential Community Input**
  - i. Prioritize aesthetics and safety with a cohesive look

## 2. **DECK STRUCTURE**

- a. **Summary: The temporary decks were neither visually attractive nor uniform. Business owners mostly built cost-effective decks because of the uncertainty with the longevity of the program, and several had to be replaced/repaired during the temporary outdoor dining program.**
- b. **Business Community Input**
  - i. Went with most cost-effective option because they were unsure how long they could have it up
  - ii. Want to see uniformity and a plan to make them look organized and beautiful; there should be some kind of regulation
  - iii. There were some that were designed and built well, while others were not
- c. **Residential Community Input**
  - i. Disliked dining decks due to being cramped from time to time and too close to crowded sidewalks
  - ii. Did not like the old-style decks on Manhattan Beach Blvd. as they were not visually attractive
  - iii. There should be a permanent solution instead of dining decks

## 3. **DESIRABLE FEATURES**

- a. **Summary: Features that participants would like to see included are better sidewalk access, similar rules between indoor and outdoor areas, solutions to electrical sources, and ways to store outdoor furniture.**
- b. **Business Community Input**
  - i. Have the same operating hours as indoors
  - ii. Provide solutions to close outdoor dining operations without having to remove/lock up every item
  - iii. Allow connecting electrical sources from the building
  - iv. Enable use of umbrellas and heaters
  - v. Allow alcohol service in outdoor dining areas; not just limited to indoors
  - vi. Expand the sidewalks and provide better sidewalk access
- c. **Residential Community Input**
  - i. Parking spaces could be utilized for outdoor dining, if it is not a temporary solution
  - ii. Prefer outdoor dining on private property over public right-of-way
  - iii. Rooftop dining is a good idea, but need to consider noise impacts to neighbors

## Long-Term Outdoor Dining

### 1. **PROGRAM FEES**

- a. **Summary: The current fee is seen overall as reasonable but there are concerns about smaller businesses being unable to afford it and the upfront costs associated with outdoor dining.**

**b. Business Community Input**

- i. The current use fee of \$3/sf is reasonable; any more could become difficult to manage
- ii. Consider a scalable encroachment fee depending on the business, as smaller establishments cannot as easily implement and pay for improvements as larger ones
- iii. It is reasonable to charge use fees but would like to know what the fee is used for (e.g., infrastructure and sidewalk build-out)
- iv. For businesses, they need to consider not only the upfront cost of building an outdoor dining area, but also how the business will not want to reinvest if the program has the chance of disappearing/changing

**2. LENGTH OF PERMIT**

**a. Summary: Businesses want certainty on the length of the permit validity to determine necessary investments and permit renewal should be available.**

**b. Business Community Input**

- i. Permits should be valid for at least 2-3 years to recoup the upfront cost of construction/investment
- ii. It should be for perpetuity once the permit is pulled, unless the business violates rules
- iii. Should be able to renew every year unless they violate rules, which will help make it more permanent and manage their operating plans
- iv. Need to specify if the permit is transferable to new ownership since it affects the price and value of the business

**3. OUTDOOR DINING SEATING CAPACITY**

**a. Summary: The maximum capacity of outdoor dining should be tied to the space available and in addition to indoor capacity.**

**b. Business Community Input**

- i. Businesses should be allowed to maximize seats if the City is charging a use fee
- ii. Would like an addition to dining capacity as a whole
- iii. Maximum occupancy should be guided by the Fire code
- iv. Standardize seating capacity by how many parking spots are being eliminated
- v. Capacity should be tied to the available outdoor space
- vi. Restaurant kitchens are not built for a significant increase in serving capacity, so there is a sweet spot on how much restaurants can expand

**4. LIMITATION ON PARTICIPATING BUSINESSES/LOCATION**

**a. Summary: If there is adequate space allowed by zoning in front of a business, then outdoor dining should be available to those businesses with consideration to parking availability. On the other hand, there was also concern on public spaces becoming private property in perpetuity.**

**b. Business Community Input**

- i. There should be no maximum cap on businesses that can participate if they are willing to invest and make it work
- ii. There should be no limits and any E&D should be able to have outdoor dining
- iii. Everyone should have the option to utilize space in front of their business

- iv. Ensure that the right-of-way outdoor dining space is activated most of the time if it is utilized by a business
- v. Some benefits should be provided for businesses that are unable to have outdoor dining areas
- vi. Should be in places where they would not have to build out structures for outdoor dining
- vii. Having one whole block of dining felt safer instead of a combination of parking and dining decks
- viii. Prefer outdoor dining decks in parking spaces instead of widened sidewalks due to concerns over logistics, cost, and construction
- ix. More important to know how many parking spaces will be taken away rather than the maximum number of businesses who can participate in the program
- x. Opposed to the idea of public spaces for people to sit and eat that are not tied to a specific restaurant
- xi. Outdoor dining decks should not be allowed in front of other businesses as it can negatively impact their business due to lack of available parking
- xii. Conceptual plan needs to include a wide range of other E&D such as Hook & Plow, the Strand House, and Uncorked

**c. Residential Community Input**

- i. Outdoor dining should be allowed where dining is permitted in the base zoning district
- ii. There should be no restrictions and would like to see it come back the way it was during the temporary outdoor dining program
- iii. Instead of dining decks, seek permanent solutions for outdoor dining that allow more room to walk and dine even though there will be less parking available
- iv. Consider how to manage busy intersections such as Highland Ave. and Manhattan Beach Blvd. which can get congested when looking at outdoor dining locations
- v. Prefer to see a mix of indoor/outdoor dining area within private property parameters; opposed to outdoor dining areas in right-of-way because it was too crowded
- vi. Concerned that the outdoor dining areas in the right-of-way will be given to restaurants in perpetuity and eventually become private property

**5. WALK STREET**

- a. Summary: Walk streets that are conducive to outdoor dining, would be a good option to explore, and a way to address loss of on-street parking spaces.**

**b. Business Community Input**

- i. Should be utilized, especially when not adjacent to residential uses such as Uncorked
- ii. Benefits include minimizing impact on sidewalks and preserving on-street parking; a win-win situation

**c. Residential Community Input**

- i. Some, but not all, are conducive to outdoor dining on walk streets

## Fiscal Impact Analysis Focus Outreach Findings (By EPS)

Both small and large businesses were interviewed with larger E&D groups with up to four restaurants. The largest of the restaurants was over 4,000 SF with over 80 indoor seats, and more than 80 employees, likely generating over \$10 million in annual revenue. On the other end of the spectrum, smaller businesses do just over half a million dollars in revenue per year, with fewer than 10 employees.

Most businesses were in operation before the pandemic, including some operating for over 15 years, but at least two had opened or replaced a preexisting business since 2020. Most business hours for E&D ranged from 8am to 10pm, though with some closing at midnight or later, especially on the weekends. Some E&D were only open from 4pm on weekdays, while others were only open in the mornings and closed in the afternoon.

### General Themes

#### **Businesses were enthusiastic about the temporary outdoor dining program's success and eager for a permanent program to be implemented.**

- The temporary outdoor dining program was widely praised by businesses that participated in the stakeholder interviews for its economic benefits. In addition, they noted it made the environment more walkable and welcoming, which was popular with customers.
- Business owners that participated in the program benefited from their bottom line by double digit percentage points, and nearby non-participating businesses noted positive symbiotic impacts for their sales as well.
- One non-participating business, however, was far less supportive and spoke strongly about the challenges of the program, especially parking for their take-out customers during mid-day hours.
- Other business owners conceded that on-going efforts would be required to mitigate certain impacts on non-participating businesses and nearby residents.

#### **Businesses are concerned that the long-term outdoor dining program is taking too long to develop, and businesses are losing customers to neighboring cities.**

- Business owners from multiple interviews pointed out that nearby beach communities like Hermosa Beach have already cleared the path for permanent outdoor dining operations.
- They expressed that outdoor dining helped them survive the pandemic and is now something that customers are looking for, which will help them stay competitive with neighboring cities that provide outdoor dining opportunities.
- One business owner noted that some diners still do not feel comfortable eating indoors, especially older patrons.
- One business owner was particularly unhappy with the lengthy process that the City is taking to establish the long-term outdoor dining program that would be helpful to businesses and the City.

#### **Outdoor dining drives additional sales but also creates benefits beyond economic impacts.**

- Business owners that participated in the program consistently reported an increase in sales.
- Across multiple interviews, they also noted advantages like a “dynamic environment for people that are visiting”, “a net positive impact in terms of culture”, “a relaxing/coastal vibe”, and that it “lit up” certain areas of the city.
- Several business owners also noted their own personal, positive experience as a local resident and patron of other businesses.

## Revenue and Cost Themes

A number of questions were prepared to understand the impact of the temporary outdoor dining program on business revenue, as well as the cost of participating in the program. All participants in the program said that they were able to generate additional revenue through program participation, and most specifically noted that revenue declined after the end of the program. For those that shared sales information, they estimated about \$100,000 to \$400,000 in additional annual revenue per parking space occupied for dining decks.

### **Outdoor dining strongly benefits sales for participating restaurants.**

- All participating E&D reported additional sales from outdoor dining and many noted negative sales impact after the temporary outdoor dining program ended, with both small and large businesses citing figures around 30 to 35 percent.
- One large E&D saw a reduction of \$800K in annual sales (or up to \$200 or more per indoor square foot per year) after the temporary outdoor dining program came to an end.
- In line with these findings, most of the E&D that could currently have sidewalk dining do so by providing such outdoor dining area. They also reported that it has become an integral part of their business model and are able to pay the high rents in Manhattan Beach.

### **Businesses incurred a range of upfront and maintenance costs.**

- While some large businesses spent \$50,000 to \$65,000 to build high-quality decks on sloped streets, other smaller businesses were able to work with a small contractor to build a basic outdoor dining space at a cost under \$2,000 on flat streets.
- Large businesses had more specific data on on-going maintenance costs (excluding labor to operate additional seats), noting expenses of \$1,200-1,500/month for cleaning, landscaping maintenance, and up to \$1,000/month for propane heating in the winter.
- The dining decks themselves required repair or replacement at times due to graffiti or rain.

### **Timing and type of visits have changed since the pandemic.**

- Large E&D businesses noted that there is much less late-night business after 8:30pm, which they attributed to fewer people going out to a performance or similar activity and planning to have dinner afterwards.
- The typical dinner rush has currently shifted earlier to around 6:30pm.
- They also noted that more people working from home and not visiting restaurants has a huge impact on lunch hour sales.
- They pointed out that outdoor dining has helped them make up for this lost revenue.

## Program Parameters

### **Businesses want to participate in the program but have some concerns about the build-out costs, operating restrictions, and length of permits.**

- Most were concerned about fees and upfront costs of creating a high-quality outdoor dining environment, unless a period of 2-3 years of operations is guaranteed for businesses to recoup their investments.
- There was near unanimous consensus that some restrictions on or uniformity in the design, or look and feel, of outdoor dining spaces would be good. Some noted that structures in the temporary outdoor dining program looked great while others did not. However, several participants were worried about overly prescriptive rules that could be expensive and cost prohibitive for small businesses.

- Large businesses expressed a desire to be able to have a structure or enclosure that can be closed up and secured at night without having to move their furniture in and out as often at the end of the day. They noted that under the current sidewalk dining program, they must remove tables and chairs every night off the right-of-way and cannot use umbrellas, heat lamps, or flower pots.

**Businesses are generally willing to accept program costs and terms similar to the City's existing sidewalk dining and other programs.**

- Business owners across multiple interviews generally felt that the \$3/sf charge for sidewalk dining was fair and would be reasonable for a permanent outdoor dining program.
- One owner pointed out that, at a minimum, it should be less than the \$7 to \$11/sf that businesses are paying in rent.
- One owner who pays \$5/sf for indoor space noted that more than \$3/sf for outdoor space could be difficult to manage
- They are also generally supportive of rules on uniformity that ensure outdoor dining spaces are attractive with plants, similar colors, and/or structures.

**Business owners believe the program should be widely open to businesses without limitations and governed instead by interest and available space.**

- Businesses noted that most restaurants are ultimately limited by their kitchen size in terms of how many additional customers they can accommodate.
- Some suggested that outdoor dining should be limited to the space in front of an individual restaurant, and that some restaurants may get more space than others depending on available configurations.
- Some suggested permits be similar to sidewalk encroachment permits (i.e., renewable annually), while others suggested it mirror a liquor license where permit length is indefinite as long as there are no violations (e.g., in terms of operating hours), or that it runs with the land, similar to a Use Permit.
- Large businesses asked that outdoor dining hours align with indoor restaurant hours, if possible, to minimize operational challenges and guest frustrations.

## Other

**Parking is a challenge that remains to be managed.**

- One business noted that the loss of mid-day parking negatively impacted their business (especially take-out service), which was frustrating since many outdoor dining spaces were empty at that time of day.
- Similar concerns were heard by others, though they were alleviated through implementing short-term parking spaces in front of retail businesses.
- Most business owners do not have dedicated employee parking, and many purchase a limited number of permits from the City.
- Employees use a combination of Metro/bus, bike, and even skateboard; others park on non-metered streets further from the businesses.
- One establishment entered into a shared parking agreement with a religious institution last summer to provide parking opportunities to staff but was rarely used.
- Most businesses did not express concern over the use of a small number of on-street spaces for outdoor dining, given the popularity of rideshare and that they represent a small fraction of the entire parking inventory in Downtown.

**Sidewalk congestion should be considered.**

- Multiple businesses pointed out the challenges associated with servers crossing over busy sidewalks to their customers that cause conflicts with pedestrians.
- Some businesses pointed out that narrow sidewalks and congestion are already an issue in certain locations.
- Some expressed support for reconfiguration of the right-of-way to support implementation of the long-term outdoor dining program.

**Opportunities for addressing traffic and mobility.**

- Large businesses recalled the benefits of the former Downtowner shuttle.
- Multiple businesses stated that bikes and e-bikes have become increasingly popular.
- Businesses in North Manhattan Beach in particular noted that there is a need to provide better non-car parking options, including bikes, scooters, and golf cart parking.
- They noted that bike parking should be placed so as not to worsen sidewalk congestion in busy locations with narrow sidewalks.