

DINING DECK UPDATE

STUDY SESSION

CITY COUNCIL

JANUARY 11, 2024

PALM DESERT
CIVIC CENTER/
1959



Background: City Council Direction (11/16/2024)

- ✓ **Updated Temporary Outdoor Dining Deck Design Guidelines**
 - Went into effect January 1, 2024
 - Focus on Dining Decks within street, not sidewalk cafes
- ✓ **Extended Temporary Outdoor Dining Deck Program to June 30, 2026**
 - New Temporary Use Permit (TUP), Guidelines, & Revocable License to be effective July 1, 2024
 - Annual application thereafter
- **Directed staff to research an annual fee based on a square feet and return at a future meeting**
 - No longer part of an emergency order
 - Level of fairness

Existing Dining Decks w/in ROW – 8 TUPs

Location/Restaurant	Approx SF
<i>El Paseo (7)</i>	
Armando's Bar and Grill	889 SF
Daily Grill	254 SF
Kitchen 86	635 SF
Mamma Gina	554 SF
Piero's PizzaVino	318 SF
Sweet Basil	597 SF
The Fix	856 SF
<i>HWY 111 Frontage Roads (1)</i>	
Little Bar	428 SF

Update/Considerations – Within El Paseo

- **Dining Decks located within El Paseo – 7 Temporary Use Permits (TUP)**
 - TUPs expire June 30th
 - New TUP application/guidelines required
- **El Paseo paving project starting June/July to October 2024**
 - Dining Decks must be removed no later than June 30th
- **Week of April 15th** - Staff will be delivering a notice to TUP holders informing them that dining decks must be removed for the paving project & steps to needed to apply under the new TUP guidelines.
 - New Dining Decks may be placed within ROW October/November 2024
- **El Paseo Merchants Association** - Staff attending the April 18th meeting to provide update and answer questions.

Exclusive Use Fee Methodology

Area	Avg Asking Rate SF/YR*	Avg Market Rate SF/YR*
El Paseo (Portola to Hwy 74)	\$ 39.65 SF	\$ 34.82 SF
San Pablo (Roundabout to Hwy 111)	-	\$ 23.50 SF
Highway 111 Frontage Roads (Portola to Monterey)	\$ 28.73 SF	\$ 26.62 SF
<i>Blended Avg Market Rate</i>		\$ 28.31 SF

*Source: CoStar

Consideration/Options – Market Rate Annual Fee

Location/Restaurant	Approx SF	Annual Fee	Annual Fee Blended Avg	Annual Fee 50% Reduction*
<i>El Paseo</i>		\$ 34.82 SF/YR	\$ 28.31 SF/YR	\$ 17.41 SF/YR
Armando's Bar and Grill	889 SF	\$ 30,955	\$ 25,168	\$ 15,922
Daily Grill	254 SF	\$ 8,844	\$ 7,191	\$ 4,422
Kitchen 86	635 SF	\$ 22,111	\$ 17,977	\$ 11,055
Mamma Gina	554 SF	\$ 19,290	\$ 15,684	\$ 9,654
Piero's PizzaVino	318 SF	\$ 11,073	\$ 9,003	\$ 5,536
Sweet Basil	597 SF	\$ 20,788	\$ 16,901	\$ 10,394
The Fix	856 SF	\$ 29,806	\$ 24,233	\$ 14,903
<i>HWY 111 Frontage Road</i>		\$ 26.62 SF/YR	\$ 28.31 SF/YR	\$ 13.31 SF/YR
Little Bar	428 SF	\$ 11,393	\$ 12,177	\$ 5,697

*Reduction based on seasonal peak

Consideration/Options – Max Size of Area

Under current guidelines, no maximum size established. Three options to consider:

1. Up to 2 parking spaces or 352 SF [(8'x22')x2]
2. Limited to Frontage of Business
 - Option to encroach into ½ of frontage of one neighboring business with their approval.
3. No limitation

Update:
Dining Decks
w/in On-Site
Private Parking
Lots

After June 30, 2024, must be permitted through a
Conditional Use Permit

- One application under review (Wildest Restaurant)

Staff Recommendation

Exclusive Use License Fee:

Effective July 1, 2024, and prior to issuance of the TUP

- ❖ Applicant pay an annual fee based on the Blended Market Rate of \$28.31 SF

Maximum Size of Dining Deck:

Limited to the Business Frontage

- ❖ Option to encroach into ½ of frontage of one neighboring business with their approval