



Direction for Dining Decks and El Paseo Improvements



Recent History Dining Deck Program

November 2023

- Council approves an extension to the Dining Deck Program until June 30, 2026
- Existing Temporary Use Permits expire June 30, 2024
- All dining decks must apply for a new Temporary Use Permit
- Updated Dining Deck Guidelines - all dining decks must comply with the new standards

April 2024 - Council Study Session

- Dining Deck Program Review
 - Annual Licensing Agreement based on square footages of dining decks and percentage of average lease rates for the street
- El Paseo Street Rehabilitation Project
- All Dining Decks of El Paseo must be removed no later than June 30, 2024

April 2024 - City Staff hosted meeting with Dining Deck Operators

- Presented items from Study Session
- Receive feedback and input

May 2024 - Follow up meetings with Operators to solicit additional feedback

- Additional feedback and input
- Discussed License Agreement methodology
- Discussed El Paseo Project Timing

Feedback and License Agreement

➤ Feedback

- *Additional time requested to use dining decks for another year to budget for demolition and/or storage and rebuilding costs*
- *License Agreement rate should be heavily discounted from commercial lease rates on the street*
 - *Dining Decks are not in use 4+ months of the year*
 - *Most operators do not pay for outdoor / non-enclosed building space from their landlords*

Area	Annual Market Rate SF/Year*
El Paseo (Portola to Hwy 74)	\$34.82 per SF
San Pablo (San Geronio to Highway 111)	\$23.50 per SF
Highway 111 Frontage Roads (Portola to Monterey)	\$26.62 per SF
Blended Average Market Rate	\$28.31 per SF

*Source: CoStar

➤ Staff Recommendation

- Discount License Agreement to 25% of street market lease rate (***\$7.08 per square foot***)
- Provide a "relief" from operators who can show their lease rate is below the average current proposed (***\$28.31***)
- Staff will need to bring a new resolution for City Council approval to establish License Agreement lease rate

El Paseo Improvement Project

Project is for a full rehabilitation of El Paseo from Hwy 111 (east) to Hwy 74 (west) and includes:

- ADA Curb Ramp Upgrades
- Drainage Improvements
- Sidewalk Repairs
- Asphalt Pavement Rehabilitation
- Mid-Block Crossing Improvements and Installations

Estimated Project Costs: \$3M

1st Phase - Summer
2024

- ADA Curb Ramp Upgrades
- Sidewalk Repairs
- Drainage Improvements

2nd Phase - Summer
2025

- Asphalt Pavement Rehabilitation
- Mid-Block Crossing Installations

Staff Recommendations

1. Direction on El Paseo Project
2. Enforcement of Design/Safety Standards
3. Direction on Licensing Agreement for use of the right-of-way

