

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, ADOPTING AN ANNUAL LEASE RATE FOR DINING DECKS AND LICENSING REQUIREMENTS FOR USE OF PUBLIC RIGHT-OF-WAY FOR OUTDOOR DINING DECKS

WHEREAS, in 2020 the City of Palm Desert (“City”) created an Outdoor Dining Deck Program (“Program”) allowing restaurants to obtain Temporary Use Permits (TUPs) for outdoor dining; and

WHEREAS, several TUPs have been issued to businesses using the public right-of-way for outdoor dining (El Paseo and Highway 111 Frontage Road); and

WHEREAS, on November 16, 2023, the City Council of the City of Palm Desert (“City Council”) took action to extend the City’s Dining Deck program through June 30, 2026, adopting updates to the Outdoor Dining Deck Design Guidelines and permitting requirements; and

WHEREAS, the City Council directed staff to explore the development of a licensing agreement for the use of the public right-of-way; and

WHEREAS, City staff proposed three separate options for possible lease methodologies for the use of the public right-of-way based on market lease rates, and the City Council discussed a possible right-of-way use rates; and

WHEREAS, City Council recommends an annual lease rate of 25% of the market rate, based on a blended rate presented at the May 23, 2024 City Council Meeting, for the remaining duration of the Program; and

WHEREAS, if the selected dining deck lease rate exceeds the rate a restaurant operator pays to lease their building space, the City Council may consider reducing the rate upon the operator providing proof of a lease agreement entered into on or before January 1, 2024; and

WHEREAS, the administration of the Program and the use of public right-of-way for dining decks require the City to expend resources, including staff time, and incur costs associated with the management, oversight, and maintenance of public property being utilized for private commercial purposes; and

WHEREAS, the adoption of a lease rate is necessary to offset the costs incurred by the City in administering the Program and to ensure that appropriate compensation is received for the use of public property.

Resolution No. 2024- _____

WHEREAS, the City Council of the City of Palm Desert, California, did on August 22nd, 2024, hold a duly noticed public hearing to consider the proposal and continued the item to a date uncertain; and

WHEREAS, the City Council of the City of Palm Desert, California, did on October 24th, 2024, hold a duly noticed public hearing to consider the proposal; and

WHEREAS, at the said public hearing, upon hearing and considering all testimony and arguments, if any, of all interested persons desiring to be heard, the City Council did find the following facts and reasons, which are outlined in the staff report, exist to justify approval of said request:

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby finds that the foregoing recitals are true and correct and are incorporated herein as substantive findings of this Resolution.

SECTION 2. Adoption of Annual Lease Rate. The City Council hereby adopts an annual lease rate of \$7.08 per square foot for outdoor dining decks located within the public right-of-way ("Lease Rate"). Restaurant operators are required to enter into a licensing agreement for the use of the public right-of-way ("Licensees"), which will include the annual Lease Rate of \$7.08 per square foot.

SECTION 3. Rate Adjustment Relief. If the adopted Lease Rate exceeds the square foot rate paid by a restaurant operator for their building space, the City may reduce the Lease Rate upon the restaurant operator providing proof of such lease agreement dated on or before January 1, 2024.

SECTION 4. Effective Date. This Resolution shall be effective immediately upon adoption.

SECTION 5. Certification. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original Resolutions.

ADOPTED ON this 24th day of October, 2024.

KARINA QUINTANILLA
MAYOR

ATTEST:

Resolution No. 2024- _____

ANTHONY J. MEJIA
CITY CLERK

Resolution No. 2024- _____

I, Anthony J. Mejia, City Clerk of the City of Palm Desert, hereby certify that Resolution No. 2024-_____ is a full, true, and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Desert on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Palm Desert, California, on _____, 2024.

ANTHONY J. MEJIA
CITY CLERK