

Dining Deck Annual Lease Rate and License Agreement

PALM DESERT CITY COUNCIL
OCTOBER 24, 2024



Overview

- Public hearing to consider resolution:
 - Dining Deck User Fee
 - License Agreement
- Becomes effective July 1, 2025. Condition on new TUP applications.
- Publicly noticed – No comments
- Staff conducted outreach with dining deck operators
- California Environmental Quality Act – Not a “Project” as defined by CEQA Guidelines Section 15378(b)(4).



Dining Deck Background

- November 16, 2023 – City Council amends Outdoor Dining Deck Design Guidelines and directs staff to establish licensing agreement
- April 11, 2024 – City Council Study Session. Direction on fee and meeting with Dining Deck Operators.
 - Blended Market Rate \$28.31 per square-foot
- April 29, 2024- City staff meets with Dining Deck Operators and receives feedback
- May 23, 2024 – City Council direction on annual license fee rate and license agreement
 - 25% of the Blended Rate



Dining Deck Fee and License Agreement

- Proposed Resolution will:
 - Adopt an **annual fee of \$7.08 per square foot** of dining deck area within public-right-of-way.
 - Paid once annually, or split bi-annually
 - Establish the required license agreement with terms and conditions for right-of-way.
- Goes into effect **after** current approvals expire in May 2025
- Condition of new Temporary Use Permits beginning July 2025.

Restaurant Name	Estimated Square Footage of Existing Deck	Estimated Annual Lease Rate: \$7.08/sq ft/year
Armando's Bar and Grill	899	\$6,365
Daily Grill	254	\$1,799
Kitchen 86	635	\$4,496
Mamma Gina's Ristorante	554	\$3,923
Piero's Pizza Vino	318	\$2,252
Sweet Basil	597	\$4,227
The Fix	856	\$6,061
Little Bar	432	\$3,058

Recommendation

Adopt a resolution entitled, “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.”