

January 11, 2023



PALM BEACH

ZONING CODE REVIEW

January Update



Zoning for Restaurant Carrying Capacity



Key Terms

Carrying Capacity: the maximum population of something that an environment can support.

Externalities: a side effect or consequence of an industrial or commercial activity that affects other parties without this being reflected in the cost of the goods or services involved, such as the pollination of surrounding crops by bees kept for honey.



How Restaurants Make Money

RevPASH (Revenue Per Available Seat Hour):

- High RevPASH which is why so many seats needed to pay for high rents.

Turn tables more frequently or charge higher prices to cover lingering.

Retention/Repeat Visitor Rate:

- Attracted to Palm Beach because it is a very high-end market with repeat, somewhat captive customer base.

Need more tables to make up for lingering.

Seating Capacity:

- On average, 1 person for 18 s.f. (min)



The PB Scene

- Over 80 restaurants – almost all full service, sit down (club-style lingering – higher prices to make up for less table churn)
- Local, non-chain restaurants
- High-quality, chef-driven restaurants
- Exclusive club and hotel restaurants
- Concentrated in commercial zones (S. County; Royal Poinciana)
- Semi-private loggia (not sidewalk) dining
- No fast-casual to speak of



What are we solving for?



What are we solving for?

- Over-concentration
- Overcrowding
- Traffic
- Competition for seats
- Crowding out of other land uses
- Economic pressure for larger restaurants



Source: Golf Digest



What can zoning do?

Supply-side zoning:

- Limit the square footage of restaurants to a neighborhood scale, which limits the seats and reduces externalities.
- Limit the concentration through radius and spacing restrictions.
- Create new categories of restaurants in code: full-service, limited-service, grab-n-go
- No ability to impact demand.

Example Approaches

- Small-scale businesses provisions around parking, compatibility with surrounding uses/buildings (Martha's Vineyard - Edgartown, MA):
- Maximum square footage for restaurants (10,000 s.f.) + 1 parking space per 50 sq. ft. of patron space; bar areas = 1 space per 20 sq. ft. (Westport, CT)
- Business licensing (non-zoning): Certain licensing requirements to be satisfied before zoning approval (Newport, RI)
- Maximum linear frontage for restaurants – 25% rule: (Washington, D.C.)