



City Hall Café

LEASE AND LICENSE AGREEMENT

BUDGET AND FINANCE COMMITTEE 6/26/2024

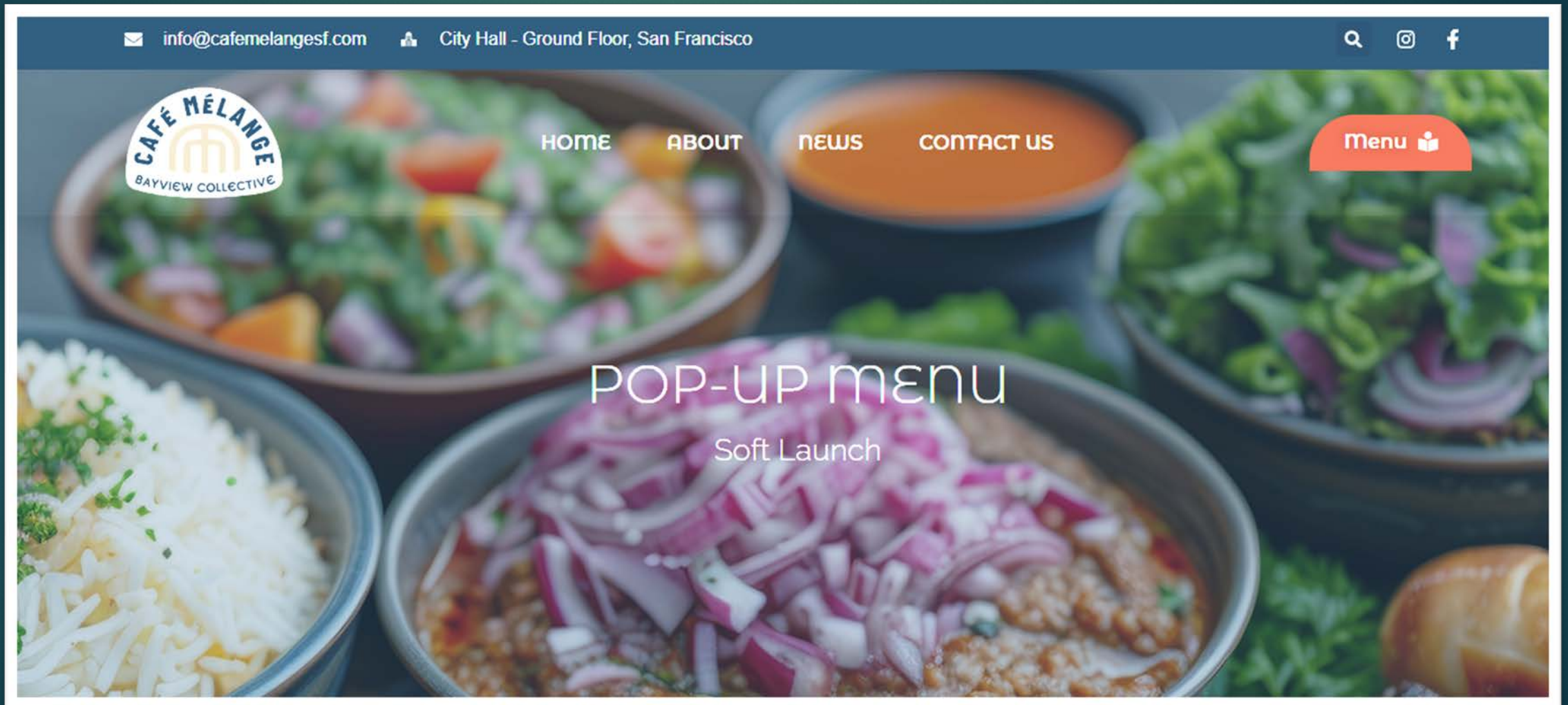
Background

- City Hall had been without a coffee and food amenity since September 2020, when the prior café closed from a loss of business during the Pandemic.
- Real Estate (RED) conducted a competitive solicitation to identify a new operator; the New Community Leadership Foundation (NCLF), dba Café Melange, was selected to re-activate the space.
- NCLF's business model has the Café operate as the point of sale for meals delivered by a collective of Bayview District restaurants.
- Last December, NCLF signed a permit to undertake design, construction, procurement and training activities in the café space. Following some initial delays, the café launched its soft opening this past March.
- As business operations ramped-up, a lease and a license were developed and signed by the operator shortly thereafter.

Terms of Agreement:

- ▶ The agreement consists of a 5-year lease with one 5-year renewal option on the 1,426 square foot lower level food prep and sales space, and a corollary license for non-exclusive use of the adjacent 1,360 square foot dining area.
- ▶ Rent is set at 10% of gross sales, subject to a minimum flat rate of \$200 per month.
- ▶ NCLF made tenant improvements to the cafe space at their cost, while the City supports its operations and maintenance from the building's existing mechanical, electric and plumbing infrastructure.
- ▶ Current uses of the dining area, including overflow voting, will continue on a priority basis, as needed.

Café Melange





Questions?