

NO: R242

COUNCIL DATE: **DECEMBER 16, 2013**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **December 10, 2013**

FROM: **General Manager, Engineering**

FILE: **0930-30/389**

SUBJECT: **Lease Agreement with Take Five Café Holdings Corp. for the Operation of a Coffee Bar within the New City Hall at 13450 – 104 Avenue**

RECOMMENDATION

The Engineering Department recommends that Council approve the execution by the appropriate City officials of a lease agreement as generally described in this report with Take Five Café Holdings Corp. (“Take Five”) to allow Take Five to operate a coffee bar on the main floor of the New City Hall (“NCH”) at 13450 – 104 Avenue as generally illustrated in Appendix I attached to this report, subject to compliance with the notice provisions under Sections 26 and 94 of the Community Charter, SBC, 2003, Chap. 26.

BACKGROUND

In March 2013 advertisements were posted inviting expressions of interest related to the operation of a coffee bar within the NCH premises. A total of six submissions were received. An evaluation team, consisting of staff from Human Resources, Parks, Recreation & Culture, Realty Services and Legal Services determined that the proposal from Take Five offered the best value to the City.

DISCUSSION

Staff and representatives of Take Five have reached an agreement on the terms and conditions related to the lease of the premises in the NCH. The main terms of the agreement are as follows:

- Take Five will be responsible for all costs associated with the tenant improvements to the leased premises;
- Take Five will be responsible for all utilities and property taxes associated with the leased premises;
- The lease will be for a five year term with one option in favour of Take Five for an additional five-year term;
- The lease agreement will reflect market lease rates for the term of the lease;

- The coffee bar will be open from 7:30 AM to 3:30 PM during weekdays and for special functions/events. These hours may be extended depending upon demand; and
- Take Five will provide catering services for meetings and functions at the NCH; however, the City is not obligated to use Take Five for such services.

Take Five Café Holdings Corp

Take Five is an Italian-inspired organic coffee house and homemade eatery, where most of the products are locally sourced and produced. The company started their first café in 2003 at a Granville Street location in Downtown Vancouver. Since then, Take Five has expanded to include ten different locations throughout Vancouver, Burnaby, New Westminister and Richmond. They currently have seven franchise locations and three corporately-operated locations. The NCH location is proposed as a franchise location.

The following is a list of Take Five's current locations:

- The United Kingdom Building, Vancouver (Granville + Hastings)
- Coal Harbour, Vancouver (Nicola + Pender)
- AXA Place, Vancouver (West Hastings + Burrard)
- Pacific Centre, Vancouver (West Georgia + Howe)
- West 4th, Vancouver (Between Yew + Vine)
- Venables, Vancouver (Between Clark + McLean)
- Metropolis at Metrotown, Burnaby (Upper Floor)
- Richmond Centre, Richmond (No. 3 Road Entrance)
- The Brewery District, New Westminister (Columbia + Brunette)
- Gastown, Vancouver (Between Abbott + Carrall)

Under the terms of the lease the City will have final approval of the successful franchisee. All foods provided by Take Five are made fresh at their central kitchen and delivered daily to each store. Menu items include a selection of 100% organic-roasted coffees; as well as panini, pasta, wraps and baked goods, made with locally-sourced organic ingredients whenever possible.

SUSTAINABILITY CONSIDERATIONS

The leasing of the premises at the New City Hall to Take Five will assist in achieving the objectives of the City's Sustainability Charter, including:

- Promote the co-location or clustering of a range of appropriate business and personal services that support compact and complete employment areas while reducing the need for additional trips to access these services.

The lease addresses the following Sustainability Charter scope action items:

- *SC14 – Implement healthy eating and food and beverage practices at City facilities; and*
- *EC1 - Corporate Economic Sustainability.*

CONCLUSION

Based on the above discussion, it is recommended that Council approve the execution by the appropriate City officials of a lease agreement as generally described in this report with Take Five Café Holdings Corp. to allow Take Five to operate a coffee bar on the main floor of the New City Hall at 13450 - 104 Avenue, all as generally illustrated in Appendix I attached to this report, subject to compliance with the notice provisions under Sections 26 and 94 of the Community Charter, SBC, 2003, Chap. 26.

Vincent Lalonde, P.Eng.
General Manager, Engineering

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Appendix I: Plan of New City Hall Main Floor and Coffee Bar Premises

APPENDIX I
Plan of New City Hall Main Floor and Coffee Bar Premises

