



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 6, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a Lease Agreement between the City of Alexandria and Sweetbake, Inc. for use of vacant café at the Torpedo Factory Art Center.

ISSUE: City Council consideration of a Lease Agreement between the City of Alexandria and Sweetbake, Inc. for use of vacant café at the Torpedo Factory Art Center.

RECOMMENDATION: That City Council:

1. Receive this report recommending a Lease Agreement between the City of Alexandria and Sweetbake, Inc.;
2. Schedule a public hearing for June 23, 2018, and after the public hearing is concluded authorize the City Manager to execute the Lease Agreement (Attachment) substantially in the form attached between the City of Alexandria and Sweetbake, Inc. and to authorize the City Attorney to take all actions necessary for execution of the Lease Agreement.

BACKGROUND: The Torpedo Factory Art Center currently has a vacant café space. The lease agreement between the City and Baba's Cooking School, LLC, due to expire on September 30, 2019, was ended by Baba's Cooking School, LLC on February 23, 2018 because its income did not support its operation in the Torpedo Factory Art Center. Annual rent for Baba's Cooking School, LLC was approximately \$4,140. Prior to the lease agreement with Baba's Cooking School, LLC, Bread & Chocolate, Inc. ended its lease claiming a similar hardship of income not supporting operations.

DISCUSSION: The Torpedo Factory Art Center is open seven days a week, 360 days a year. Annually, a steady stream of visitors explore artist studios, galleries, events, or take classes at The Art League. The City recognizes that a café space use would be an amenity to visitors to help support the Torpedo Factory Art Center. The café space is 268 square feet and is located on the first floor.

In April 2018, the City issued a Call for Café or Barista Management at the Torpedo Factory Art Center for prospective interested parties to apply to lease the space. The call was developed by the City after consultation with current tenants of the Torpedo Factory Art Center, the Alexandria Economic Development Partnership, and the Alexandria Small Business Development Center.

Interested parties were made aware that the City is currently managing the Torpedo Factory Art Center and its operations, and the City is performing a community engagement process to establish goals towards developing future governance of the institution. Interested

parties were also told that, if selected, they would not be guaranteed exclusivity in the future as a food/drink provider in the Torpedo Factory Art Center.

Proposals were received by the City for consideration and Sweetbake, Inc. was recommended for a lease agreement to provide café services serving coffee, pastries, sandwiches, soups, and other refreshments. The lease agreement is for a term of 15-months ending September 30, 2019 to coincide with the current leases of all other Torpedo Factory Art Center tenants.

FISCAL IMPACT: The lease payments for the full 15-month lease term is anticipated to be \$5,175. The lease amount is consistent with the previous café tenant and all current tenants; however, the license agreement will provide for a reduction in the lease payment if income generated is not sufficient to maintain operations of the café. Unlike previous tenants, the café will operate seven days per week and the City will review the cafe's financial records and will receive regular income reports to monitor the profitability of the café.

ATTACHMENT: Proposed Lease Agreement

STAFF:

Emily A. Baker, Deputy City Manager

Debra Collins, Deputy City Manager

James Spengler, Director, Recreation, Parks & Cultural Activities

Diane Ruggiero, Deputy Director, Recreation, Parks & Cultural Activities

Brett Johnson, Regional Program Director, Recreation, Parks & Cultural Activities

Karen Snow, Assistant City Attorney