

GM11.11- Confidential Attachment 1 - made public on July 10, 2018

Attachment 1 – Confidential Information

Award – Request for Proposal (RFP) 0613-11-0107 Operation of a Food Service Facility at City Hall

Date:	February 8, 2012
To:	Government Management Committee
From:	Chief Corporate Officer Acting Director, Purchasing and Materials Management Division

CONFIDENTIAL INFORMATION

Financial Proposal and Financial Impact

The financial proposal from 1158093 Ontario Limited (Café on the Square) for the proposed ten (10) year lease agreement provides for:

Net base rent of \$300,000.00 for the ten (10) year term:

Lease Year	Basic Annual Rent	Monthly Instalment
1	\$30,000.00	\$2,500.00
2	\$30,000.00	\$2,500.00
3	\$30,000.00	\$2,500.00
4	\$30,000.00	\$2,500.00
5	\$30,000.00	\$2,500.00
6	\$30,000.00	\$2,500.00
7	\$30,000.00	\$2,500.00
8	\$30,000.00	\$2,500.00
9	\$30,000.00	\$2,500.00
10	\$30,000.00	\$2,500.00
Total Basic Rent	\$300,000.00	

Percentage rent based on the Gross Revenue in each Lease Year, as follows:

Lease Year	Percentage Rent
1	2%
2	2%
3	2.25%
4	2.25%
5	2.5%
6	2.5%
7	2.5%
8	2.5%
9	2.75%
10	2.75%

Tenant is required to pay taxes, maintenance and insurance costs, so that the lease agreement is fully net to the City; and

Tenant, at its sole expense, is required to complete a renovation of the main floor leased premises with capital improvements estimated at approximately \$140,000.00.

It is estimated that the effective net rent to be realized by the City over the ten (10) year term would be approximately \$698,757, being comprised of a fixed net base rent of \$300,000 and estimated percentage rent of \$398,757 (based on the proponent's estimated annual gross revenue). The City currently receives approximately \$25,000 per annum in effective net rent under the current lease agreement.

Capital Improvements:

The proposed leasehold improvements will capture the opportunity to revitalize the interior of the Cafeteria. The major improvements include:

- Newly created "coffee clutch" area with cozy sofa and lounge-type seating.
- The food dispensing areas will have improved food service line to enhance food display.
- The restaurant will provide three distinct areas including:
 - New richly appointed coffee shop area
 - semi-private lounge area where customers can relax, conduct business as they enjoy coffee etc.
 - Main dining area which will be enhanced with new carpet, reupholstering of booth seating and new lighting. Window seating for enjoying activities on the Square