

Legislation Text

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Agenda Date: 10/10/2017

Subject:

Lease agreement for Romancing the Bean

Presented By: Keith Reester, Acting Public Works Director

BACKGROUND:

The city owns the historic Train Depot building located at the Downtown RTD Light Rail station. Beginning in 2011, the city entered into a lease with Romancing the Bean to occupy 400 square feet of the structure and operate as a coffee business. The current lease expired earlier in 2017 and staff has been working with the business owners to develop a new lease. The history of this lease arrangement was covered in a study session with City Council in April 2017.

The concessionaire operates as a food cart license under Tri-County Health Department regulations. This licensure is necessitated by the lack of restroom facilities on the premises. Staff does not recommend adding public restrooms to this facility for several reasons. The necessity to operate as a food cart limits the available business options and is thus reflected in a lower lease rate than other spaces in downtown. The currently proposed rate of \$1.00/square foot is approximately 50% of current rates for fully operating coffee spaces downtown.

This item will review the proposed new lease for the space. Items to note from the past versions of the lease:

1. Term: Three years with two 1-year renewal periods.
2. Insurance: Enhanced insurance up from \$150,000 and \$600,000 per incident to \$250,000 and \$1,000,000 respectively.
3. Business Transfer: Language has been added to provide a clear process if the business owner seeks to sell the business or transfer ownership.
4. General Provisions: Language in the lease has been cleaned up to align with actual business practices on utilities, maintenance, and other items.

