

Reviewed by  
**CPT/TEAM**  
 Christopher Hans

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

*Alot*



**SUBMITTAL DATE:**  
 November 7, 2008

**FROM:** Department of Facilities Management

**SUBJECT:** License Agreement – Atrium Café, Riverside

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the attached License and authorize the Chairman of the Board to execute the same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Department of Facilities Management's FY 2008/09 budget as set out on Schedule A.

**BACKGROUND:** On April 8, 2003, the Board of Supervisors entered into a license agreement with Provider Contract Food Service, LLC, located in the County Administrative Center. The café has been open since December, 2003, and an analysis of the operation was presented by Provider with a request to restructure the license terms and conditions.

(Continued)

*Robert Field*

Robert Field, Director  
 Department of Facilities Management

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$350,000	<b>In Current Year Budget:</b>	No
	<b>Current F.Y. Net County Cost:</b>	\$350,000	<b>Budget Adjustment:</b>	Yes
	<b>Annual Net County Cost:</b>	\$275,429	<b>For Fiscal Year:</b>	08/09

<b>SOURCE OF FUNDS:</b> CAC Annex Fund	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

*Jennifer L. Sargent*

**County Executive Office Signature**

BY: Jennifer L. Sargent

FISCAL PROCEDURES APPROVED  
 ROBERT E. BYRNE/AUDITOR-CONTROLLER  
 BY: *Robert E. Byrne* 11/26/08

FORM APPROVED COUNTY COUNSEL  
 BY: *Gordon V. Woo* 11/12/08  
 DATE

Departmental Concurrence

Consent  
 Consent

Dep't Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.: 4/8/03, 3.16;  
 12/16/03, 3.12; 2/7/08, 3.17

District: 2

Agenda Number:

**3.25**

ATTACHMENTS FILED  
 WITH THE CLERK OF THE BOARD

(Continued)

**BACKGROUND:**

During the past five years the café has operated at a net loss primarily due to Provider's capital investment of approximately \$900,000.00, versus the actual revenue received from a limited food service operation. Provider has requested the county purchase the cafe assets at the depreciated value of \$575,428.65 and install additional equipment to enhance the menu and service to the patrons. This is in keeping with similar government food service agreements in the area and will allow for the continued operation of the cafe. The following further defines the terms:

Licensee and Location:	Provider Contract Food Service, LLC 7119 Indiana Avenue Riverside, California 92504
Location:	Riverside County Administrative Center, First Floor Annex 4080 Lemon Street Riverside, California 92501
Size:	Approximately 4,000 square feet
Revised Term:	Seven (7) years
Options to Extend:	Seven (7) years
Revised rent structure:	Profit distribution only. First \$25,000.00 profit shall be paid to the county. Additional profit shall be divided equally on an annual basis. Any loss shall be carried forward to offset the profit in a subsequent year. County will not bear any portion of a loss.
New Improvements:	Not to exceed \$50,000.00 with payment upon completion.
Furniture, Fixtures, & Equipment:	Total cost \$575,428.65. Paid in two installments. Second payment within one year.
RCIT Cost:	N/A
Utilities:	Provided by County.
Custodial:	Interior by Licensee. Lobby area seating provided by County.

Revised Maintenance: Licensee to service equipment and provide minor repairs to the premises. County to provide major repairs or replacement of the existing equipment and improvements.

The attached License Agreement has been reviewed and approved by County Counsel as to legal form.

**FINANCIAL DATA:**

All associated costs for this License Agreement will be fully funded through the Department of Facilities Management's (DOFM) budget. While the license agreement costs will be fully recovered by CAC Annex Funds, DOFM will require a budget adjustment to its FY 2008/09 budget to cover related transactional costs.

## Schedule A

Increase Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	\$350,000
10000-7200400000-572500 – Intra – Leases	(\$350,000)

# Exhibit A

## Atrium Café Restaurant License Cost Analysis for FY 2008/09 4080 Lemon Street, Riverside, California

### Current Square Feet Occupied:

Cafe: 4,000 SQFT

### Estimated Utility Costs:

Utility Cost per Square Foot	\$	0.12	
Estimated Utility Costs (July 1, 2008 - June 30, 2009)	\$	-	
<b>Total Estimated Utility Cost for FY 2008/09</b>			<b>\$ -</b>
<b>Tenant Improvement Costs:</b>			<b>\$ 350,000</b>
<b>RCIT Improvements:</b>			<b>\$ -</b>
<b>FM Lease Management Fee (Based @ 4.21%)</b>			<b>\$ -</b>
<b>Total Estimated Lease Cost FY 2008/09:</b>			<b>\$ 350,000</b>

# Exhibit B

## Atrium Café Restaurant License Cost Analysis for FY 2009/10 4080 Lemon Street, Riverside, California

### Current Square Feet Occupied:

Cafe: 4,000 SQFT

### Estimated Utility Costs:

Utility Cost per Square Foot	\$ 0.12	
Estimated Utility Costs (July 1, 2009 - June 30, 2010)	\$ -	
<b>Total Estimated Utility Cost for FY 2009/10</b>		<b>\$ -</b>
<b>Tenant Improvement Costs:</b>		<b>\$ 275,429</b>
<b>RCIT Improvements:</b>		<b>\$ -</b>
<b>FM Lease Management Fee (Based @ 4.21%)</b>		<b>\$ -</b>
<b>Total Estimated Lease Cost FY 2009/10:</b>		<b>\$ 275,429</b>