

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a two-year lease agreement extension with Hyo Sung Kim (dba Pepper Tree Café) for the lease of space to operate a food and beverage service at City Hall.

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Finance and Asset Management Department

EXECUTIVE SUMMARY

This Resolution authorizes execution of a two-year lease agreement extension with Hyo Sung Kim (dba Pepper Tree Café) for the lease of space to operate a food and beverage service at City Hall.

RECOMMENDATION

Move to adopt Resolution No. 9574.

If approved, effective date: 04/01/2019

BACKGROUND/ANALYSIS

Since March 1, 2016, Pepper Tree Café has successfully operated a food and beverage service on the third floor of City Hall. Having the cafe on premise has been beneficial to both employees and visitors by providing convenient access and consistent high quality menu items at competitive prices. Based on favorable results for both parties during the past three years of service, the City and the lessee have agreed to exercise this second two-year extension option allowed under the current lease agreement.

POLICY & FISCAL IMPACTS**Policy Impact**

One of the City's core values is its commitment to employees, which includes providing services and resources that enable employees to meet workload demands and fostering an environment that nurtures and retains high-performers. Providing convenient and high-quality food and beverage options to employees at City Hall furthers this core value.

Bellevue City Code

Under BCC 4.30.020, a lease of real property will be submitted to Council for approval if the term of the lease exceeds two years, if the consideration exceeds \$90,000 per year, or where the property is leased for less than fair market rent.

Fiscal Impact

Approval of this action will result in the Facility Services Fund receiving annual rent of \$6,550 beginning March 1, 2019. The annual rent will increase each year by the December Consumer Price Index. The revenue will be used to offset utility costs and other operating expenses incurred to support this service.

OPTIONS

1. Adopt the Resolution authorizing execution of a two-year lease agreement extension with Hyo Sung Kim (dba Pepper Tree Café) for the lease of space to operate a food and beverage service at City Hall.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9574

AVAILABLE IN COUNCIL LIBRARY

Lease and Operating Agreement