

# RESOLUTION NO. 2010-199

Adopted by the Sacramento City Council

April 22, 2010

## SECOND AMENDMENT TO LEASE FOR RESTAURANT SERVICES IN CESAR CHAVEZ PLAZA

### BACKGROUND

- A. In September 1996, City Council approved a Contract for the Restaurant Services at Plaza Park, City Agreement No. 96-117, with Jorge and Nicole Ix, doing business as Café Soleil. The rent structure under the Contract required quarterly payments of a minimum monthly fee and a percentage of gross receipts.
- B. In 2001, the City and Café Soleil jointly funded a construction project to expand the kitchen area of the café and to add an exterior covered patio area to provide additional customer seating; however, the rent structure established in 1996 proved to be burdensome for the tenant in terms of budgeting and did not provide a consistent revenue stream to the City.
- C. In August 2004, under a successor Lease and subsequent First Amendment to Lease, City Agreement No. 2004-0125 and City Agreement No. 2004-1025-1, respectively, the rent structure was changed to a fixed monthly amount based on fair market rent; however, there was no differentiation in the lease rate for restaurant versus outdoor patio/dining space. Since 2004, outdoor patio/dining space has become more prevalent in the downtown market and lease rates for this type of space are lower than for indoor restaurant space.
- D. In July 2009, Jorge and Nicole Ix exercised the first of two 5-year options to extend the term of the Lease.
- E. The recommended action will adjust the monthly rent for the remainder of the extended term to reflect market conditions for the method of calculating rent and will bring the Lease into parity with other City leases for restaurant and outdoor patio/dining space.

### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager is authorized to execute the Second Amendment to Lease for Restaurant Services in Cesar Chavez Plaza.

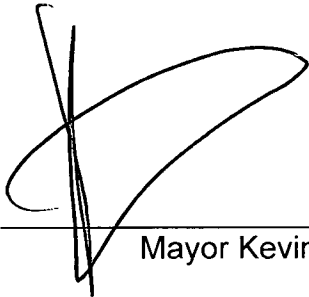
Adopted by the City of Sacramento City Council on April 22, 2010 by the following vote:

Ayes: Councilmembers Cohn, Hammond, McCarty, Pannell, Sheedy, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: Councilmembers Fong and Tretheway.



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Mayor Kevin Johnson

Attest:

  
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Shirley Conclino, City Clerk