



# Folsom City Council Staff Report

<b>MEETING DATE:</b>	4/13/2021
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10612 – A Resolution Authorizing the City Manager to Execute a Lease Extension and Amendment with Patricia Orellana for Operation of Einstein Café at the Folsom Public Library
<b>FROM:</b>	City Manager's Office

## **RECOMMENDATION / CITY COUNCIL ACTION**

Staff respectfully recommends that the City Council move to adopt Resolution No. 10612 – A Resolution Authorizing the City Manager to Execute a Lease Extension and Amendment with Patricia Orellana for Operation of Einstein Café at the Folsom Public Library.

## **BACKGROUND / ISSUE**

The Einstein Café at the Folsom Public Library was originally leased to the current lessee's predecessor, Nadia Shams and Meer Nazir, in May of 2011 for five years. With Council authorization, the lease was assigned to Saima Khan and Mehroze Kahn on March 11, 2014 and extended for five years from May 2016 to May 2021. On April 25, 2017, the City Council approved assigning the lease to its current owner, Patricia Orellana.

Prior to its temporary closure due to the COVID-19 public health emergency, the Einstein Café operated within library hours and offered coffee, ice cream, snacks and light lunch items such as sandwiches, lemon bars, pecan bars, Gunther's ice cream, Vaneli's coffee, and Alternative Baking Company vegan and gluten-free cookies, among other items.

## **POLICY / RULE**

The City Council is vested with authority to approve agreements to lease City facilities and City-owned real properties.

## **ANALYSIS**

Ms. Orellana is an experienced café operator, having worked as a former manager of three Starbuck's locations in Barstow and Victorville, California. She was responsible for overseeing over 45 employees, and her responsibilities included ordering supplies, managing payroll, product displays, health code compliance, and all tasks necessary to open and serve Starbuck's customers. Since taking over the Einstein Café, Ms. Orellana has consistently served library patrons and general customers with high quality products that are fairly priced, and the café routinely receives positive feedback on social media.

The current lease agreement expires on May 24, 2021, and Ms. Orellana is seeking a ten-year extension with the following updated terms:

- Base rent increase from the current \$500/month to \$800/month.
- Base rent increase to \$900/month 12 months after the Folsom Public Library is open to full capacity, and then to \$1,000/month 12 months after that.
- Base rent increase to \$1,200 at year six of the extension.
- Utilities \$150/month, plus maintenance \$50/month.
- 10-year lease, with an out clause by either party with 90-day notice.
- Tenant may make improvements to space, including paint, flooring, and adding equipment, with written notification to and permission by the City.

The City has not experienced any issue with Ms. Orellana operating the café, making lease payments, or honoring the lease terms.

## **FINANCIAL IMPACT**

Pursuant to prior Council approval, lease payments made by the café owner/operator go directly into the Library's operating budget.

## **ENVIRONMENTAL REVIEW**

The proposed extension of existing lease of public facility is exempt from environmental review under the California Environmental Quality Act pursuant to Section 15301 (Existing Facilities) of the CEQA Guidelines.

## **ATTACHMENT**

1. Resolution No. 10612 – A Resolution Authorizing the City Manager to Execute a Lease Extension and Amendment with Patricia Orellana for Operation of Einstein Café at the Folsom Public Library

Respectfully submitted,

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Elaine Andersen, City Manager

**RESOLUTION NO. 10612**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE EXTENSION AND AMENDMENT WITH PATRICIA ORELLANA FOR OPERATION OF EINSTEIN CAFÉ AT THE FOLSOM PUBLIC LIBRARY**

**WHEREAS**, in May of 2016, upon approval by the City Council, the City executed a five-year lease agreement with Patricia Orellana's predecessor, Mehroze Khan, for operation of the café site located at the Folsom Public Library, Georgia Myrray Building; and

**WHEREAS**, the City Council approved assigning the lease to Ms. Orellana on April 25, 2017; and

**WHEREAS**, since taking over the Einstein Café, Ms. Orellana has consistently served library patrons and general customers with high quality products that are fairly priced, and the café routinely receives positive feedback on social media; and

**WHEREAS**, prior to temporarily closing due to the COVID-19 public health emergency, the Einstein Café operated within library hours and offered coffee, ice cream, snacks and light lunch items such as sandwiches, lemon bars, pecan bars, Gunther's ice cream, Vaneli's coffee, and Alternative Baking Company vegan and gluten-free cookies, among other items; and

**WHEREAS**, the current lease is set to expire on May 24, 2021, and Ms. Orellana desires to extend the lease for ten years; and

**WHEREAS**, the City Council finds that the public benefit provided by the Einstein Café supports continuing the lease with Ms. Orellana under the terms set forth in a lease amendment to be approved by the City Attorney.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Folsom that the City Manager is hereby authorized to execute a lease amendment with Patricia Orellana to extend the lease for ten years for operating the Einstein Café at the Folsom Public Library, Georgia Murray Building.

PASSED AND ADOPTED this 13<sup>th</sup> day of April, 2021, by the following roll-call vote:

AYES: Councilmember(s):  
NOES: Councilmember(s):  
ABSENT: Councilmember(s):  
ABSTAIN: Councilmember(s):

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Michael D. Kozlowski, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

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