

## DRAFT- Como Lakeside Pavilion –O'REILLY CUSTOM 3, LLC (Spring Café) Agreement Deal Points

- Operations & Services
  - City continues to own facility
  - Initial term of agreement, Apr. 1, 2018 – Dec. 31, 2023, following a city evaluation of their performance there may be opportunity for agreement renewal
  - Spring Café required to financially and functionally operate facility
    - Service performance will be reviewed by city on an annual basis based on a predetermined set of performance metrics
    - Facility will be operated year round, on a peak / off-peak basis, beginning in April, 2018
    - Facility will be required to be open minimum daily hours during peak season as set by the city (early morning to evening)
    - Facility will be required to be open minimum weekend (Sat/Sun) hours during off-peak season as set by the city (early morning to afternoon)
    - Spring Café to operate and manage full service restaurant, catering and event space, and lower level summer concession stand
      - Spring Café to provide an attractive menu and counter service offerings that are reasonably priced and in line with local marketplace. Menu will allow for quick and quality food offerings.
    - Spring Café to manage and program outdoor performance stage/Promenade
      - Spring Café will be required to schedule a minimum of 100 events in the outdoor Promenade per year
      - Spring Café to allow up to 20 dates of the 100 for City's Music in the Parks program
      - Spring Café allowed to have farmers markets and similar events following city approval
    - Spring Café to manage community meeting space and public access, and provide lake recreation amenities from May through Sept. annually (i.e. water bikes, kayaks or other options)
- Revenue Commission Structure
  - City is guaranteed minimum annual revenue commissions and capital investment into facility
  - Annual minimum period is Apr. 1- Mar. 31 annually, with the exception of Apr 1-Dec. 31 in 2023.
  - Spring Café required to provide revenue commissions to City on monthly basis
    - 10% of monthly gross revenue during peak season
    - Spring Café guarantees total annual revenue commissions of \$100,000 to the city. For 2023, the annual minimum payment will be reduced to \$75,000 to reflect the Dec. 31 end date.
    - Spring Café may earn commission credits to be applied against monthly commission payments. Examples of ways credits may be earned include:
      - Providing food service in excess of the off-peak hours stated in the agreement
      - Additional reinvestment into City-owned equipment and facilities
      - Meeting certain gross revenue thresholds
    - No commission credits may be used to reduce commission payments to below the annual minimum payment.
  - At end of initial agreement term, City is guaranteed a minimum \$575,000 in revenue commissions and \$20,000 in initial capital investment into the facility, as well as monthly commission payments into a capital improvement fund during the off-peak season.

- Capital Maintenance
  - Spring Café is required to invest \$20,000 in capital improvements by June 1, 2018
  - 10% of monthly gross revenue during off-peak season will be invested into the capital maintenance improvement fund.
  - City approval required for any improvements proposed by Spring Café
  
- Ordinary Maintenance
  - Spring Café required to maintain facility
  - City responsible for all exterior maintenance of facility (i.e. parking lots, trails, sidewalks, and grass)

Period	Commission Payment*	CIF Payment*
<b>Apr. – Mar. annually</b>	10% of MGR during peak season (first weekend in May through the weekend following Labor Day)	10% of MGR during off-peak season (Monday after Labor Day through first week in May)
<b>Apr., 2023 - Dec., 2023</b>	10% of MGR during peak season (first weekend in May through the weekend following Labor Day)	10% of MGR during off-peak season (Monday after Labor Day to end of year)
<p>* If the cumulative total of MGR exceeds \$1.5 million in the Annual Minimum Period, the commission percentage will increase to 11% for the remainder of that Annual Minimum Period. If MGR exceeds \$1.75 million in the Annual Minimum Period, the commission percentage will increase to 12% for the remainder of that Annual Minimum Period. MGR resulting from restaurant sales Monday through Friday in the Off -Peak months will be exempted from commission payments.</p> <p>Spring Café will make an initial capital improvement investment of \$20,000 by June 1, 2018</p> <p>MGR: Monthly Gross Revenue</p> <p>Each period listed above is inclusive of the months that define the beginning and end of the period.</p> <p>Spring Café may earn commission credits to be applied against monthly commission payments. No credits may be used to reduce commission payments to below the annual minimum payment.</p>		