

October 11, 2005

TO: John Szerlag, City Manager

FROM: Brian Murphy, Assistant City Manager/Services  
John Lamerato, Assistant City Manager/Finance Administration  
Doug Smith, Real Estate and Development Director  
Carol Anderson, Parks and Recreation Director

SUBJECT: Agenda Item: Amendment #4 – Office Space Rental Agreement  
Emerald Food Service – Café/Pro Shop Contract

### **RECOMMENDATION**

City management recommends that the contract with Emerald Food Service (EFS) to provide Café and Pro Shop operations in the Community Center be amended to include the additional use of 209 square feet of office space. This space would be rented for \$15 per square foot or \$3135 per year. Terms of this addendum to the contract are included.

### **BACKGROUND**

A three-year contract with EFS to provide a café/pro shop at the Community Center was approved by City Council (Resolution #2002-01-014) on January 7, 2002. The contract stipulated that EFS would have the exclusive catering rights for meetings and events in the Community Center. As the catering and café business increased, Emerald requested office space for their staff to meet with prospective customers to make catering arrangements when using the Community Center.

On September 22, 2003, City Council approved (Resolution #2003-09-014) an office space rental agreement for 255 square feet (at \$15 per square foot) in a space originally designated as a coat room (Exhibit A).

On April 12, 2004, a new one-year contract (with an option to renew for two one year periods) was approved for food service at the Sanctuary Lake Golf Course and Community Center (Resolution 2004-04-186). The contract took effect on April 5, 2005 with the opening of the dining room at the golf course. Due to the increased business between both facilities, EFS has had to hire additional staff and is requesting an additional 209 square feet of office space in the Community Center.

This proposed office space (Exhibit A) was originally designated as a vending area for special events that use the meeting rooms. However, vending machines were never established in this location and the space is unoccupied at the present time. The space would be ideal for EFS because it lies directly in front of their existing office in the building and would improve service to our banquet/meeting customers.

Reviewed and Approved as to Legality:

\_\_\_\_\_  
Lori Grigg Bluhm, City Attorney

Date: \_\_\_\_\_

Prepared by: Kraig Schmottlach, Community Center Facility Manager

**FOURTH AMENDMENT/ADDENDUM TO AGREEMENT FOR THE  
COMMUNITY CENTER  
CAFÉ/PRO SHOP**

This is the Fourth Amendment/Addendum to the Agreement for the Community Center Café/Pro Shop, also known as Emerald Café, which was entered into by the City of Troy, Michigan, a Michigan municipal corporation, 500 W. Big Beaver Road, Troy, Michigan 48084, hereinafter “City”, and Emerald Food Services I, L.L.C., a Michigan Limited Liability Company, 1980 Greenfield, Berkley, Michigan 48072, hereafter “Operator”, on March 18, 2002. Except for the additions or changes specified herein, the terms and conditions of the original Agreement and the Second and Third Amendment/Addendum remain in full force and effect.

1. **RENT FOR ADDITIONAL SPACE.** Operator shall be entitled to the use of an additional 209 square feet within the Community Center as shown on the attached Exhibit A for an additional \$3,135.00 per year or \$261.25 per month (\$15.00 per square foot). By the first (1<sup>st</sup>) day of each month, the Operator shall pay rent for the additional square footage. This space is to be used only for office and for business relating to the operation of the Community Center and/or Sanctuary Lake Golf Course.
2. **TERM.** This Fourth Amendment/Addendum shall only remain in effect for the term of the original Agreement or any extensions of that term. The space shall be vacated at termination of the original Agreement now in effect between the City and the Operator.
3. **EQUIPMENT AND BUILDING MODIFICATIONS.** Operator shall provide all necessary equipment, supplies and building modifications. Building modifications and additions, including but not limited to fixtures, a door, carpet, electrical outlets and voice/data connections must be approved by the City in advance and become the property

of the City at the conclusion of the Agreement. The costs associated with these building modifications that are necessary to make the space a viable office shall be the responsibility of the Operator. Equipment brought in must also be approved in advance by the City.

4. MAINTENANCE. Operator shall maintain the interior of the space in a clean and neat manner and in compliance with all City ordinances and State law. This includes, but is not limited to, the removal of trash to the proper containers.

5. HOURS OF AVAILABILITY. The Operator acknowledges that the rental space shall only be available under this Fourth Amendment/Addendum to the Agreement during the hours of operation of the Community Center. Operator also waives any claim or cause of action regarding the non-availability of the space as set out herein or for emergency periods when, due to weather, electrical power outages, or acts of nature, the Community Center remains closed for operation.

EMERALD FOOD SERVICES I, L.L.C.,

CITY OF TROY,

\_\_\_\_\_  
By: Kim Haveraneck, President

\_\_\_\_\_  
By: Louise E. Schilling, Mayor

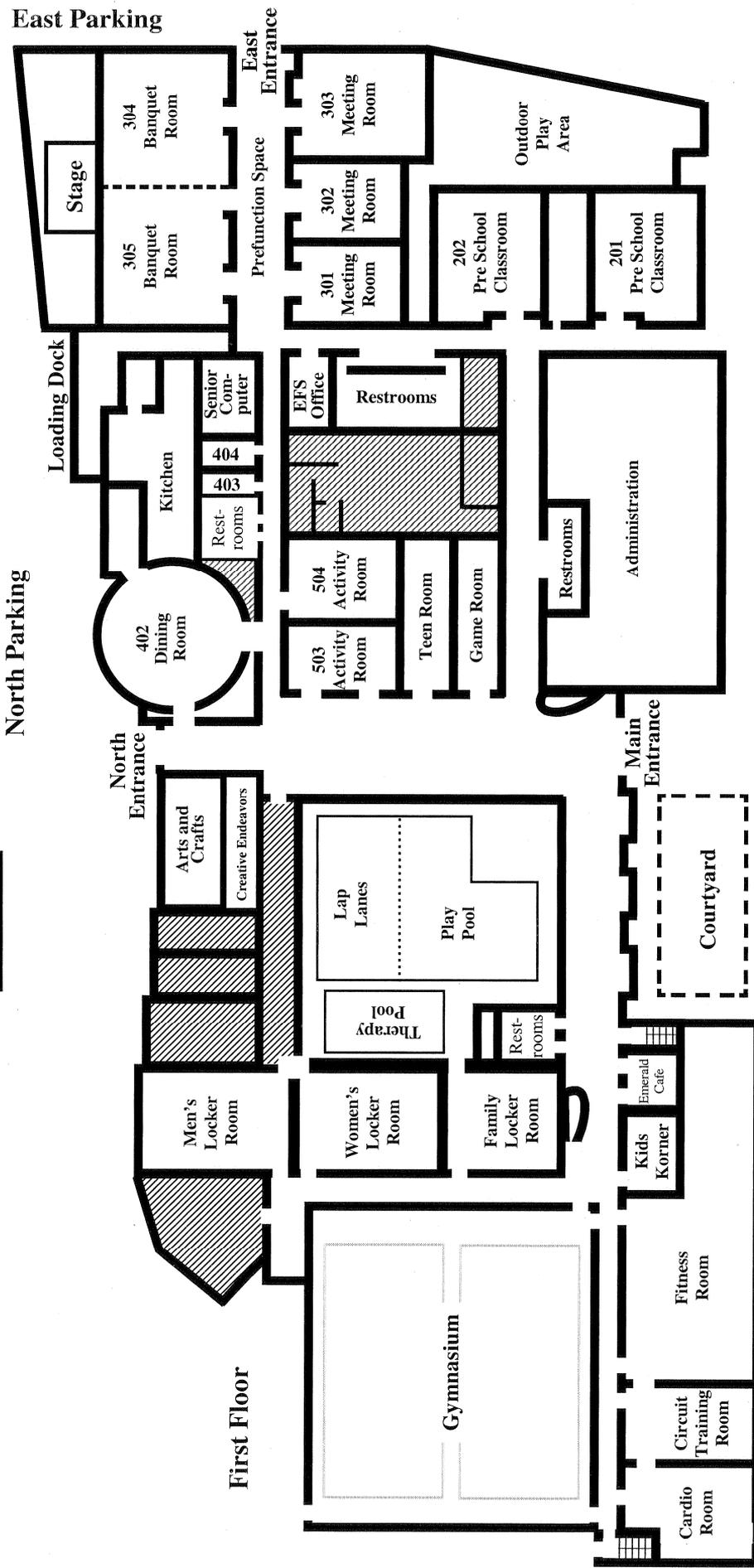
\_\_\_\_\_  
By: Tonni Bartholomew, Clerk

Dated:\_\_\_\_\_

# Livernois

**Town Center Drive**

Skate Park



**Troy Community Center**  
 3179 Livernois  
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 www.ci.troy.mi.us

