



**PUBLIC WORKS DEPARTMENT**

CITY HALL

10300 TORRE AVENUE • CUPERTINO, CA 95014-3255

TELEPHONE: (408) 777-3354 [www.cupertino.org](http://www.cupertino.org)

**CITY COUNCIL STAFF REPORT**

Meeting: February 19, 2019

Subject

Coffee Society Lease Agreement, 10800 Torre Avenue, Cupertino, CA 95014.

Recommended Actions

Authorize the City Manager to execute a five-year lease agreement with the Coffee Society, 10800 Torre Avenue, Cupertino, CA 95014.

Background

The existing lease of the 500 square foot café space of the Cupertino Library, better known as the Coffee Society, expires on February 28, 2019.

Discussion

On December 18, 2018, Council directed staff to enter into negotiations with the current owner of the Coffee Society to develop a new lease. Staff met with the owner and suitable terms have been agreed to and incorporated into the attached draft lease.

The draft lease being considered is substantially consistent with the current lease that will expire on February 28, 2019. The notable difference between the two leases is the annual rental increase. As opposed to a flat \$50/month/year increase as stipulated in the current lease, the draft lease provides for rental increases that escalate based on an annual Consumer Price Index for Urban Consumers (CPI-U). The rental rate will increase by \$82/month for the first year of the new lease (March 1, 2019 through February 28, 2020).

Sustainability Impact

No sustainability impact.

Fiscal Impact

Upon execution of the lease, effective March 1, 2019, the City would continue receiving monthly rental payments based on the negotiated rental rate of \$1,907 per month for the first year. This amount will be adjusted annually per CPI-U rates for the remaining term of the lease.

---

Prepared by: Chad Mosley, Acting Assistant Director of Public Works

Reviewed by: Roger Lee, Acting Director of Public Works

Approved for Submission by: Timm Borden, Interim City Manager

Attachments:

A – Draft Coffee Society Lease Agreement (2019)