

Subject: Jubilee Plaza Café Lease**APPROVALS:**

Keith Smith, Director
Brian Moore, Executive Director
Marcel Ulliac, Chief Administrative Officer

Administrative Recommendation:

THAT the Municipality enter into a 5 year lease with a 5 year option to renew with Blue Mountain Bistro Inc. for the subject property, known as Jubilee Plaza Café, subject to the Building Lease Terms and Conditions described in Attachment 1, dated June 23, 2015.

Summary:

Jubilee Plaza Café (the Café) is an indoor component of Jubilee Plaza. The Café space of 1,034 square feet includes 718 square feet of dedicated Café space (Area A – Attachment 2) and 316 square feet of common space (Area B – Attachment 2).

The Café will be an integral component of Jubilee Plaza. The Café will be open year round to serve patrons with a range of refreshments, snacks, and light meals.

Council approval is required to authorize a lease of municipal land and/or buildings for a term exceeding 5 years.

Background:

The intention of the Jubilee Plaza is to provide a dynamic public space to support community activities. The Café is an important component of this space and will draw patrons to the plaza to help animate the space on a daily basis.

Administration has been working to find a tenant for the Café since May 2014. On May 5, 2015 Administration received an official proposal to lease the café space from Blue Mountain Bistro Inc.

Blue Mountain Bistro Inc. is a local company with over 50 years of combined experience in business development, most of it within the Fort McMurray area. The operational philosophy of the café will revolve around creating a local brand which exemplifies diversity while focusing on Jamaican made products while offering a range of healthy accessible options that include both gluten free and Halal choices. This philosophy fits well within the intended purpose of the plaza “to establish an urban plaza for community and cultural celebrations.”

Budget/Financial Implications:

The Municipality will realize lease revenue of \$63,000 per annum. The lease rate was determined through an independent third party appraisal. It is estimated that the Municipality's operational costs will be approximately \$14,000 per year.

Rationale for Recommendations:

Land Administration has performed its due diligence to publically post the opportunity on *Alberta Purchasing Connection* and has worked with the Economic Development Department to contact local vendors in the area to promote the space and seek out an interested operator. The Fort McMurray Real Estate Board has been contacted and to date there has been no response. Also, we have toured a number of interested parties through the space.

The proposed business will offer a range of freshly prepared breakfast, lunch and dinner options as well as a range of coffees, teas and snacks. Menu items and the overall concept will be geared towards differentiating from anything currently offered in the area, while ensuring it does not become a novelty or something only appealing to a specific market segment.

Attachments:

1. Building Lease Terms and Conditions
2. Café Lease Plan
3. Subject Area Map