



Charlotte-Mecklenburg Government Center Restaurant Lease Amendment

July 8, 2019

Purpose:

Brief City Council on a restaurant lease amendment item scheduled for July 8 Council Meeting.

Outline:

- 1) Background
- 2) Overview of lease amendment
- 3) Path forward

- In 1999, a request for qualifications was advertised and a restaurant committee comprised of City and County staff, and private sector advisors selected Showmars to operate in the Charlotte-Mecklenburg Government Center (CMGC).
- In 2012, Showmars experienced a 30% reduction in sales attributed to the installation of security checkpoints in the CMGC as part of the Democratic National Convention.
 - Showmars offers 10 meals per week versus standard 21 meals per week due to CMGC working hours.



BACKGROUND CONTINUED

- In 2016, Council approved a lease renewal for 5 years with a 5-year renewal option. Additionally, Showmars invested over \$55,000 to replace kitchen equipment with newer energy-efficient appliances.
- In 2019, a customer satisfaction survey resulted in 500 CMGC employee responses indicating 75% satisfaction with the quality of food and 90% satisfaction with the level of service.





OVERVIEW OF LEASE AMENDMENT



Rentable SF: 4,730

Original Lease Start Date:

October 19, 1999

Current Rental Rate:

\$3,000/month

Amended Rental Rate:

\$500/month

Funding: Revenue from the lease agreement will be deposited into the General Services Operating Budget.

Staff recommends a rental rate reduction from \$3,000 to \$500 per month for the following reasons:

- It is common practice in commercial buildings to have a food service amenity option, such as Showmars.
- Changes in restaurant tenancy may affect quality in service and limit CMGC employees' ability to find convenient, freshly prepared food in proximity to CMGC.