

# AGENDA ITEM SUMMARY

City Council

January 7, 2014

## STAFF

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Kayla Ballard, Right-of-Way Technician  
Helen Matson, Real Estate Services Manager

## SUBJECT

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First Reading of Ordinance No. 007, 2014, Authorizing the Lease of a Portion of City-Owned Property at 225 Maple Street to Feeding Our Community Ourselves, Inc. For Up to Five Years.

## EXECUTIVE SUMMARY

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The purpose of this item is to lease 4,446 square feet of City-owned property to a non-profit cafe.

Feeding Our Community Ourselves, Inc. ("FoCo") wishes to lease a portion of 225 Maple Street to house a non-profit café with a minimal food processing facility. The total yearly lease payment for the property will be at least \$16,900. The term of the lease shall be for five years. With this lease, FoCo will have the option to terminate at any time upon a 90-day advanced written notice to the City. FoCo will be responsible for its remodel, taxes, all utilities, communication services, trash services and janitorial services.

## STAFF RECOMMENDATION

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Staff recommends adoption of the Ordinance on First Reading.

## BACKGROUND / DISCUSSION

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The City purchased Lots 22 through 28, Block 32, also known as 225 Maple Street, from Haiston Oil Company ("Haiston"), in December 2008 to allow for future City development. This site has not been leased since the purchase; however, the garage units on the property have been used for storage by various City departments.

Feeding Our Community Ourselves, Inc. ("FoCo") is a non-profit organization that plans to operate a café open to the general public and also provide meals to people, regardless of their ability to pay, while using local, organic, and sustainably-grown ingredients. FoCo hours of operation will be 11:00 a.m. through 2:00 p.m. Mondays through Saturdays. FoCo is a 100% volunteer operated organization. In addition, the site will minimally process local fresh produce to increase its availability to low-income citizens.

The Lease Premises at 225 Maple Street consist of 2,023 square foot building (975 SF main level and 1,048 SF basement) that will house the café. FoCo plans to remodel the main level of the building to include customer seating/dining area, a kitchen with a food preparation area, and upgraded improvements to the restrooms. The basement will be used for dry storage and FoCo office space. A new handicap accessible ramp will be installed on the west side of the building located next to the platform. Bike racks will be installed on site, although their location has not yet been determined. Weather permitting, outdoor seating/dining will be available on the gravel area between the main building (café) and the garage units. FoCo will also lease the easternmost garage unit, which is 525 square feet in size, and use it for general storage, housing of refrigeration/freezer units and a "growing wall". The 110 square foot outbuilding that was added to the main building prior to the City purchasing the site will be

used to hold refrigeration and freezer units. FoCo will install a full trash enclosure to the south of the main building, adjacent to the alley for trash service accessibility. FoCo will pay all costs of the remodel.

**FINANCIAL / ECONOMIC IMPACT**

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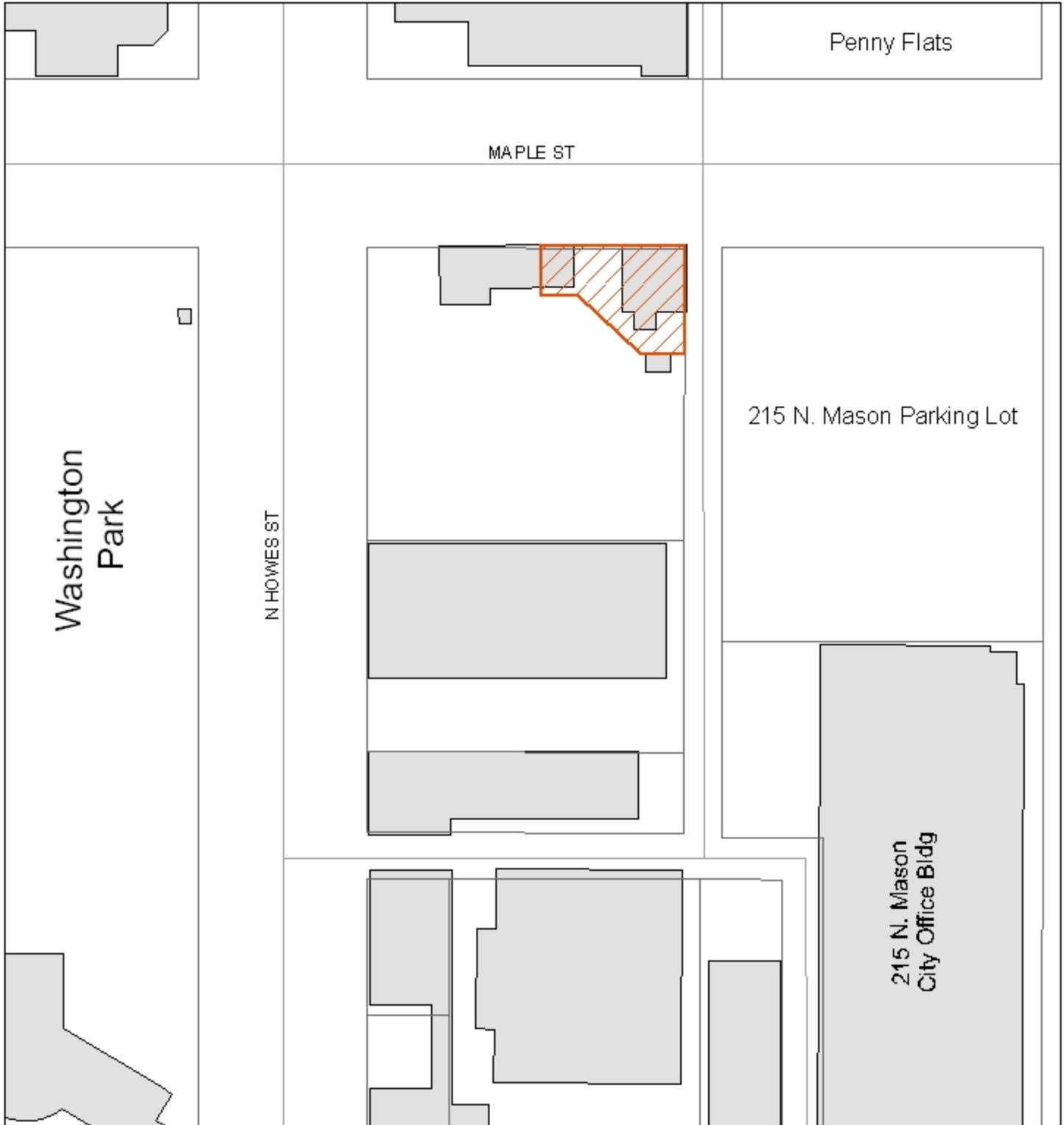
Annual rent collected from this lease will result in at least \$16,900 in unanticipated revenue. Rent for this space is based on comparative market rents for industrial space and cold storage buildings. FoCo will be responsible for expenses of all utilities, communication services, trash services, janitorial services, and taxes. In addition, it will be the obligation of FoCo for any tenant finish costs. The City will be responsible for maintenance costs to the building.

**ATTACHMENTS**

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1. Location map (PDF)

# Lease of a Portion of 225 Maple Street Location Map



 Leased Premises Location



ORDINANCE NO. 007, 2014  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AUTHORIZING THE LEASE OF A PORTION OF CITY-OWNED PROPERTY AT  
225 MAPLE STREET TO FEEDING OUR COMMUNITY OURSELVES, INC.  
FOR UP TO FIVE YEARS

WHEREAS, the City is the owner of the property legally described as Lots 22 through 28, Block 32, Fort Collins, Colorado, also known as 225 Maple Street (the “Property”); and

WHEREAS, the Property, which was formerly the site of Haiston Oil, was purchased by the City in 2008 to allow for future City development consistent with the Civic Center Master Plan; and

WHEREAS, the City has not leased the Property since it was purchased, but various City departments have used the garages on the Property for storage; and

WHEREAS, Feeding Our Community Ourselves, Inc. (“FoCo”) is asking to lease a portion of the Property to house a non-profit café and a minimal food processing facility; and

WHEREAS, the portion of the Property that would be leased to FoCo consists of the 2,023 square foot main office building, a 110 square foot outbuilding, a 525 square foot garage, and a portion of the grounds around these buildings (the “Lease Premises”); and

WHEREAS, the café would be open to the general public, would provide meals to people regardless of their ability to pay, and would use local, organic and sustainably-grown ingredients; and

WHEREAS, the City has no immediate plans for the Property, and City staff is therefore recommending that the Lease Premises be leased to FoCo at a current market rate for industrial space and cold storage buildings, resulting in an annual rental amount of not less than \$16,900; and

WHEREAS, FoCo would be responsible for all costs associated with remodeling and improving the Lease Premises to operate it as a café and for all utilities and other operating expenses, and the City would be responsible for maintenance of the buildings; and

WHEREAS, the proposed lease would be for a period of five years, but FoCo would have the option to terminate the lease at any time upon ninety-days prior written notice to the City; and

WHEREAS, the lease of the Lease Premises will benefit the City by generating revenue, reducing the City’s costs for utilities for the Property and discouraging vandalism; and

WHEREAS, under Section 23-111(a) of the City Code, the City Council is authorized to sell, convey or otherwise dispose of any and all interests in real property owned in the name of

the City, provided that the City Council first finds, by ordinance, that such disposition is in the best interests of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That, because the City will receive fair market rent for the Lease Premises, and the lease of the Lease Premises will discourage vandalism and reduce the City's utility costs for the Property, the City Council hereby finds that leasing the Lease Premises located at 225 Maple Street under the terms listed above is in the best interests of the City.

Section 2. That the City Manager is hereby authorized to execute a lease agreement for the Lease Premises on terms and conditions consistent with this Ordinance, together with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interests of the City, including, but not limited to, any necessary changes to the description of the Lease Premises, as long as such changes do not materially increase the size or change the character of the property to be leased.

Introduced, considered favorably on first reading, and ordered published this 7th day of January, A.D. 2014, and to be presented for final passage on the 21st day of January, A.D. 2014.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading on the 21st day of January, A.D. 2014.

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Mayor

ATTEST:

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City Clerk