



EXHIBIT "A"

CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

C-8

May 15, 2001

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Permit With the State of California Department of Rehabilitation Business Enterprise Program for Food Concession at Long Beach City Hall (District 2)

DISCUSSION

Since 1980, the State of California Department of Rehabilitation Business Enterprise Program (State) has operated the City Hall food concession facility under a permit issued by the City. The Department of Rehabilitation identifies and selects a legally blind operator to manage the facility. The current Permit will expire on June 30, 2001. A new Permit is necessary to insure the continued operation of the City Hall concession facility.

The proposed Permit contains the following major provisions:

- Term: One year beginning July 1, 2001. The State shall have two, one-year options to extend the term.
- Use: The State shall operate and maintain a food concession facility and dining area on the lower level of Long Beach City Hall.
- Rent: The State's operator shall pay a monthly rent based on a sliding scale varying from zero percentage rent for monthly gross receipts which are less than \$4,000 up to 5.95 percent for monthly gross receipts which are above \$17,625. Actual rent paid during the preceding 12-month period, April 2000-March 2001, was \$5,240 (including a monthly \$250 utility reimbursement to the City). Gross receipts during this same period totaled \$112,978.
- Utilities and Maintenance: The Permit shall require that the operator pay \$300 per month for the utilities provided to the facility by the City. This is an increase of \$50 per month from the previous agreement due to the increase in utility costs.

Additionally, the operator shall be required to provide janitorial services for the entire food concession facility and keep the equipment in good working order.

- Food Service Standards: The menu, quality of food and prices shall continue to be subject to review and approval by the City.

This letter was approved by Deputy City Attorney Donna F. Gwin on May 2, 2001, and by Budget Bureau Manager Annette Hough on May 7, 2001.

TIMING CONSIDERATIONS

The current Permit will expire on June 30, 2001. Action is requested at the May 15, 2001 City Council meeting in order to allow processing time for the new agreement.

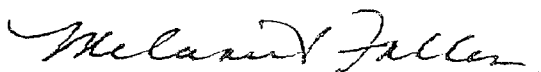
FISCAL IMPACT

The City will receive an estimated \$5,240 annual revenue budgeted in the General Fund (GP 100).

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a Permit for Food Concession, and amendments to extend the term for two additional periods of one year each, with the State of California Department of Rehabilitation Business Enterprise Program to operate the City Hall food service concession, commencing on July 1, 2001 and ending June 30, 2002.

Respectfully submitted,



MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

MSF:JMLR:neb
5-15-01 Food Concession

APPROVED:

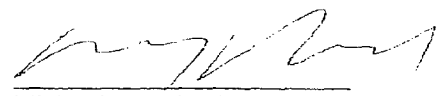

HENRY TABOADA
CITY MANAGER



EXHIBIT "B"

CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

May 21, 2002

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: First Amendment to Permit No. 27285 With the State of California,
Department of Rehabilitation, Business Enterprise Program, for Food
Concession at Long Beach City Hall (District 2)

DISCUSSION

Since 1980, the State of California, Department of Rehabilitation, Business Enterprise Program (State), has operated the City Hall food concession facility (Concession) under a permit issued by the City. The current Permit, set to expire on June 30, 2002, also allows the State to provide beverage or food vending machines in the Concession and elsewhere in City Hall. The State identifies and selects a legally blind operator to manage the operation. The State's current operator is Mr. Ollie Ross whose personal annual income is derived from the profits of the Concession and vending machines.

On September 25, 2001, the City Council approved a sponsorship agreement with BCI Coca-Cola Bottling Company of Los Angeles (Coca-Cola) for territory exclusivity regarding the placement of only Coca-Cola beverage vending machines on City property. Coca-Cola will provide the City with an annual commission of \$300,000 for the guaranteed placement of a minimum of 226 beverage vending machines throughout the City. In an effort to minimize the financial impact on Mr. Ross, and still meet the requirements of the City's agreement with Coca-Cola, the City has proposed a First Amendment to the Food Concession Permit.

The proposed First Amendment contains the following major provisions:

- 1. **Permission:** As long as Mr. Ross is the selected Concession operator, the City will continue to honor the State's current provision to provide beverage vending machines throughout City Hall. However, Mr. Ross must use vending machines provided by Coca-Cola. In a separate agreement, Mr. Ross and Coca-Cola will determine the commissions and servicing related to the machines within City Hall. When Mr. Ross no longer operates the Concession on behalf of the State, the State

HONORABLE MAYOR AND CITY COUNCIL
May 21, 2002
Page 2

will no longer be allowed to provide beverage vending machines outside of the Concession area.

- Term: One year with a one-year option to extend the term.

This letter was reviewed by Deputy City Attorney Donna F. Gwin on May 1, 2002.

TIMING CONSIDERATIONS

The current Permit will expire on June 30, 2002. City Council action is requested at the May 21, 2002 meeting.

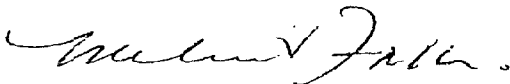
FISCAL IMPACT

There is no fiscal impact associated with this item.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute the First Amendment to Permit No. 27285 with the State of California, Department of Rehabilitation, Business Enterprise Program, to operate the City Hall food service concession, commencing on July 1, 2002 and ending June 30, 2003, with an option to extend the term for one additional period of one year, by the approval of City Council.

Respectfully submitted,



MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

MSF:JMLR:nb

5.21.02ccitrConcessionAmend.doc

APPROVED:



HENRY TABOADA
CITY MANAGER



EXHIBIT "C"

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CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

RECEIVED
CITY CLERK
LONG BEACH, CALIF.

03 MAY 29 PM 12:44

June 3, 2003

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Second Amendment to Permit No. 27285 With the State of California,
Department of Rehabilitation, Business Enterprise Program, for Food
Services Concession at Long Beach City Hall (District 2)

DISCUSSION

Since 1980, the State of California, Department of Rehabilitation, Business Enterprise Program (State), has operated the City Hall food concession facility in the lower level of City Hall (Facility). On May 15, 2001, the City Council approved Permit No. 27285 (Permit) with the State for a term of one year (see Exhibit "A"). This Permit allows the State to provide food and beverage vending machines in the Facility and elsewhere in City Hall. Under the Business Enterprise Program, the State identifies and selects a legally blind operator (Vendor) to manage the Facility.

On May 21, 2002, the City Council approved the First Amendment to Permit No. 27285 to extend the term of the Permit for one year, expiring on June 30, 2003 with two, one-year options to extend the term. The State now seeks to exercise its first, one-year option to extend the term. The First Amendment also identified the current Vendor as the last operator who will be allowed to provide beverage vending machines outside the Facility. Upon the selection of a new Vendor, the rights to provide beverage vending machines in City Hall will become part of the City Sponsorship Agreement with BCI Coca Cola Bottling Company of Los Angeles. Actual rent received by the City during the 12-month period, January - December 2002 was \$4,846. Gross receipts during this same period totaled \$119,986.

The proposed Second Amendment contains the following major provisions:

Term: One year beginning July 1, 2003. The State shall have two, one-year options to extend the term.

HONORABLE MAYOR AND CITY COUNCIL

June 3, 2003

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With the exception of the above change, all other terms, covenants and conditions in Permit No. 27285 shall remain in full force and effect.

This letter was reviewed by City Attorney Robert E. Shannon on May 14, 2003 and Budget Manager Michael Killebrew on May 22, 2003.

TIMING CONSIDERATIONS

The current Permit will expire on June 30, 2003. City Council action is requested at the June 3, 2003 meeting to provide continuous service.

FISCAL IMPACT

As a result of this action, approximately \$5,000 of revenue will accrue to the General Fund (GP) in the Department of Community Development (CD).

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute the Second Amendment to Permit No. 27285 with the State of California, Department of Rehabilitation, Business Enterprise Program, to operate the Long Beach City Hall food services concession, commencing on July 1, 2003 and ending June 30, 2004.

Respectfully submitted,

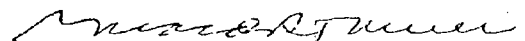


MELANIE S. FALLON
DIRECTOR OF
COMMUNITY DEVELOPMENT

MSF:BM:lel

Attachments: Exhibit "A"

APPROVED:



GERALD R. MILLER
CITY MANAGER