



CITY OF SAN MATEO

City Hall
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Agenda Report

Agenda Number: 7

Section Name: {{section.name}}

Account Number: 10-6661

File ID: {{item.tracking_number}}

TO: City Council

FROM: Drew Corbett, City Manager

PREPARED BY: Library Department

MEETING DATE: November 21, 2022

SUBJECT:

San Mateo Public Library Main Branch Café Operating Lease – Agreement

RECOMMENDATION:

Adopt a Resolution to approve a Property Lease and Operating Agreement with Rafat Haddad for operation of the 3 Bees Café at the Main Library Branch for two years commencing on November 22, 2022 through November 21, 2024 in accordance with Municipal Code Section 3.62.030(b); and authorize its execution by the City Librarian.

BACKGROUND:

When the new Main Library opened in 2006, a café space was provided on the 3rd floor as a result of feedback from the public during meetings to gather input for the design of the new library building. Between 2006 and 2015, two vendors operated café establishments in the space, the first exercising their option to terminate their lease in 2008 and the second operating from 2008 until 2015, at which point their lease was not renewed by the City.

Due to a strong desire on the part of the public and staff to maintain a café presence, the Library launched a third request for proposals process for café operation in February 2016. At the conclusion of the selection process, Rafat Haddad of 3 Bees Coffee was selected as the new café operator. Mr. Haddad has owned and operated 3 Bees Coffee at 224 E. 3rd Avenue in downtown San Mateo for the past 20 years. The business enjoys a good reputation and loyal clientele, and Mr. Haddad has extended his commitment to good customer service and product quality to the Library café as well. The lease term was for two years with two 2-year options and expired on May 14, 2020. The City wishes at this time to enter into a new agreement with Mr. Haddad from November 22, 2022 through November 21, 2024.

BUDGET IMPACT:

The City receives 10% of gross sales for months in which the gross sales exceed \$10,000. Rent is waived if the gross sales do not exceed \$10,000 to support the sustainability of the café service in the Library. The estimated annual revenue to the City will be within the range of \$6,000 - \$12,000.

ENVIRONMENTAL DETERMINATION:

This lease for a café is exempt from CEQA, because involves the leasing of an existing public structure with negligible expansion of the existing public library use. (CEQA Guidelines Section 15301.)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 – Lease Agreement

STAFF CONTACT

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