

# VETERANS HISTORIC LIBRARY

Concessionaire Agreement with  
Made by Meg

# VETERANS HISTORIC LIBRARY

- 11,400 square foot landmark building.
- Listed on the National Register of Historic Places.



# HISTORY

## 1991 - 1995

City repurposed the former Main Library building as a banquet and special events center, renaming it the Veterans Park Community Center.

## 2013

Contract with Spectrum Holding Company, Inc. is renewed.

1930 1940 1950 1960 1970 1980 1990 2000 2010 2020

## 1930 - 1991

Served as the City's main library. The facility was closed due to seismic damage from the Sierra Madre earthquake.

## 1996

Spectrum Holding Company, Inc. awarded contract for operation of the facility.

## 1995

City issued an RFP for facility catering and management operations.

## 2020

Contract with Spectrum Holding, Inc. expired.

Facility has remained closed since the pandemic.

# HISTORY

## FEB. – JUNE 2022

**COMMUNITY OUTREACH**  
conducted, including community survey, two open house events, and multiple discussions with Rec. & Parks and Public Arts commissions.

## OCT. - DEC. 2022

**UPDATED RFP RELEASED**  
Two responsive proposals were received.

## FEBRUARY 2024

**NEGOTIATION AUTHORIZATION**  
City Council authorized staff to commence concessionaire agreement negotiations with Made by Meg.

2022

2023

2024

## JANUARY 2022

**DRAFT RFP**  
Presented to City Council, mirroring Spectrum Catering partnership.

City Council requested public outreach to determine how to utilize the space.

## JULY 2022

**UPDATED RFP**  
City Council directed staff to issue an updated RFP that follows a different model, allowing the City and residents more use of the facility, incorporates the City's history and the arts, utilizes the outdoor space, and includes a café.

## OCTOBER 2023

**CONCESSIONAIRE PRESENTATIONS**  
City Council heard presentations from both prospective vendors and requested both to respond with supplemental information regarding café components, community collaborations, facility renovation details, shared-use model, and a proposed parking plan.

# PROPOSED AGREEMENT TERMS

<b>Term Length</b>	10 years, expiring on October 6, 2035, with an option to extend two additional five-year terms.
<b>Café</b>	Required for public access a minimum of four hours daily, from Wednesday through Sunday.
<b>Exterior Use</b>	North and west lawns on a limited basis. City would have exclusive use of the north lawn for select events and activities, when available.
<b>City Use of Facility</b>	May be reserved by the City up to two years in advance at a reduced rate. City use shall not exceed 14 consecutive days or 45 total days per year.
<b>Cultural Commitments</b>	MBM will organize and present at least four rotating art and historical exhibits annually; host community-focused events; and an opening day celebration.
<b>Parking Management Plan</b>	MBM would coordinate valet, shuttle service, or off-site parking coordination.

# PROPOSED AGREEMENT TERMS

<b>Facility Improvements</b>	MBM will invest \$866,000 into facility improvements, including interior ADA improvements. City would undertake exterior ADA improvements.
<b>Concessionaire Improvement Credit</b>	Up to \$325,000 across the first two years of Percentage Rent payments would be credit to MBM to help offset upfront investment.
<b>Facility Upkeep and Maintenance</b>	MBM would solely maintain the facility for a \$3,500 monthly credit towards the Percentage Rent payment.
<b>Ongoing Facility Improvement Fund</b>	1% of MBM's net annual sales would fund ongoing facility improvements once certain thresholds are met.
<b>Marketing</b>	2.5% of MBM's net annual sales would fund marketing, advertising, and social media outreach.

# PROPOSED AGREEMENT TERMS

**Rent** – paid quarterly in two installments, upon reopening the facility, including:

<b>Minimum Annual Rent</b> <i>Paid at beginning of each quarter</i>		
	<b>Annual</b>	<b>Quarterly</b>
<b>Year 1</b>	\$125,000	\$31,250
<b>Year 2</b>	\$150,000	\$37,500
<b>Year 3</b>	\$175,000	\$43,750
<b>Year 4</b>	\$200,000	\$50,000
<b>Year 5</b>	\$220,000	\$55,000
<b>Year 6</b>	\$240,000	\$60,000
<b>Year 7</b>	\$260,000	\$65,000
<b>Year 8</b>	\$280,000	\$70,000
<b>Year 9</b>	\$300,000	\$75,000
<b>Year 10</b>	\$320,000	\$80,000



<b>Percentage Rent</b> <i>Paid at end of each quarter when greater than Minimum Rent</i>
15% of gross catering and café sales + 15% of gross venue rental fees + 15% of gross production charges + 15% of gross event equipment and accessories rentals
<i>Concessionaire Improvement Credit, Major Facility Systems Credit, and Equipment Replacement may be applied to this rental installment.</i>

# PROPOSED AGREEMENT TERMS

	Quarter 1					
Item	January	February	March	Total Revenue	%	Rent Owed
Event Food and Beverage Sales	\$60,000	\$105,000	\$85,000	\$250,000	15%	\$37,500
Venue Rental Fees	\$50,000	\$85,000	\$75,000	\$210,000	15%	\$31,500
Event Equipment and Accessory Rentals	\$8,000	\$12,000	\$10,000	\$30,000	15%	\$4,500
Event Prod Charge	\$27,000	\$38,000	\$30,000	\$95,000	15%	\$14,250
Total						\$87,750
Minimum Rent to City <i>(prepaid)</i>						-\$31,250
Total Percentage Rent to City						\$56,500
Major Facility Management Credit (\$3,500/mo.)						-\$10,500
Percentage Rent to City*						<b>\$46,000</b>
*Years 1 and 2, this will be applied towards the \$325,000 Facility Improvement Credit						



# FACILITY IMPROVEMENTS

## MBM Improvements

- Interior of the facility including carpet replacement, painting throughout, restroom upgrades, and full upgrade of the kitchen.
- Critical interior ADA improvements

## City Improvements

- Exterior ADA improvements, estimated at \$1 million, including:
  - Main entrance, which will include installation of an accessible ramp
  - Replacement of the western exterior stairwell
  - Improvements to the north entrance and adjacent parking lot.
- Facility improvements completed through the CIP include:
  - Installation of a new roof
  - Service and necessary upgrades to the elevator and HVAC systems
  - Interior cleaning including vents, windows, and skylights
  - Full window replacement (in progress)

# FACILITY IMPROVEMENTS

**Completed by June 30, 2026** (assuming no construction or permit delays)

- Opening Day Celebration will be held no later than December 31, 2026.



# FISCAL IMPACT

## EXPENSES

Funding for the City's improvements include:

- Measure A – exterior ADA Improvements
- CIP – window replacement

## REVENUE

Minimum revenue over the initial ten-year term = \$2,270,000 + Percentage Rent

# RECOMMENDATION

Approve proposed concessionaire agreement with Made by Meg for the Veterans Historic Library facility